Public Guardian and Trustee

2013–2014 Annual Report

Rights, choices and security
for all British Columbians

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LETTER OF TRANSMITTAL

September 19, 2014

The Honourable Attorney General and Minister of Justice
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Attorney General and Minister of Justice:

I have the honour of delivering to you the Annual Report of the Public Guardian and Trustee in accordance with the provisions of section 25 of the *Public Guardian and Trustee Act*.

This report covers the period April 1, 2013 to March 31, 2014.

Yours truly,

Catherine M. Romanko
Public Guardian and Trustee

MESSAGE FROM THE PUBLIC GUARDIAN AND TRUSTEE

I am pleased to present the annual report of the Public Guardian and Trustee (PGT) for the period April 1, 2013 to March 31, 2014.

Striving to meet the PGT's publicly reported performance targets is a challenge PGT staff take very seriously and act on with pride. Our annual statement of performance reflects our commitment to our clients, their families, and the public to be transparent and accountable in the work we do to protect some of British Columbia's most vulnerable individuals.

Our performance report is independently audited to provide the public with assurance that its contents are reliable.

This year, the PGT again met or exceeded all 20 of its reported performance targets and did so in a difficult environment of government fiscal restraint and hiring controls. This positive performance result demonstrates the continuing dedication of PGT staff to deliver their best in client service.

A major focus this year was implementing new laws which impacted the role of the PGT and the interests of our clients.

The *Wills, Estates and Succession Act* and new *Probate Rules* came into effect on March 31, 2014 modernizing the law of succession and the manner in which estates of deceased persons are administered in British Columbia. Many roles of the PGT, including those of estate administrator, trustee and monitor of the interests of minors and vulnerable adults in estates, were adjusted to reflect the new law. Our office participated in government consultations to develop supporting legislation and new rules of estate practice and made extensive changes to our business processes, information technology systems, policies and procedures.

The PGT also prepared to implement the new adult guardianship law, which will change the process by which the PGT becomes committee of estate for adults. Once in force, this law will add new legal requirements to services provided by the PGT including additional procedures to determine whether an adult requires a guardian, enhanced notification and consultation duties and new processes concerning requests for reassessments and appeals of capacity assessments. While most of this law will not come into force until December 1, 2014, new provisions concerning protective measures which the PGT can take while investigating allegations of financial abuse, came into force in March 2013 and are now incorporated into PGT practice.

Building our organizational capacity was another focus of activity during the past year.

With the objective of supporting enhanced client service, we carried out a comprehensive and principle based review of fees and commissions established by

regulation and made recommendations to government for change to increase fairness and transparency of the fees which clients pay for fiduciary services. We also completed a privacy assessment of our operations and started to create an overarching information management framework to help ensure that client information remains secure and appropriately protected, and that our processes are fully compliant with privacy law.

Over the course of the year, PGT staff worked with our service partners and stakeholders to further the interests of PGT clients. We made submissions to the government of Canada concerning proposed changes to taxation rates of trusts and certain estates and participated in federally led consultations concerning improvements to Canada's consumer protection scheme to protect vulnerable citizens.

We worked with our provincial interministry partners to develop a provincial strategy to respond to elder abuse and currently participate as a member of the Council to Reduce Elder Abuse. We also contributed to the creation of the provincial action plan *Accessibility 2024*, designed to reduce barriers and increase accessibility for people living with disabilities.

To benefit our child and youth clients, we enhanced our transition services by facilitating a broad range of financial literacy workshops for youth who are about to assume responsibility for independent management of their affairs.

The PGT currently operates in a traditional paper based environment supported by legacy information systems with limited options for client and stakeholder communications. As we look forward and plan for the future, we examined how best to align our service delivery model with changing client and public needs and expectations. During the year we developed a strategic roadmap which will help guide our way through a transformation of our systems, technology and service delivery models to meet client needs.

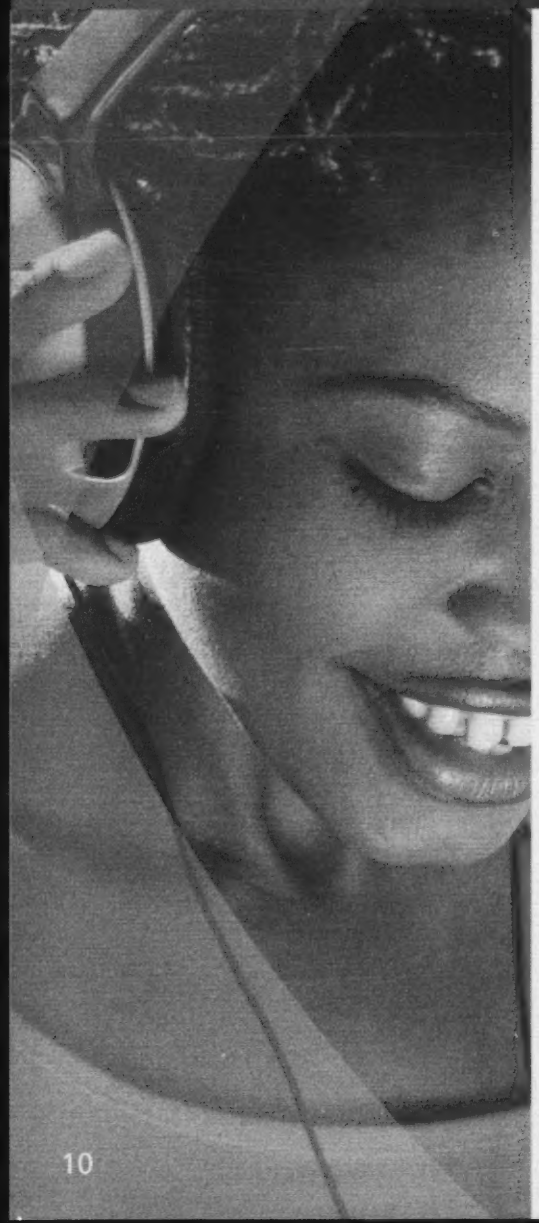
Rising to the continuing challenges of our rapidly evolving service environment demands the best from our staff. I would like to thank our employees across the province for their dedication and hard work, as well as recognize the ongoing support from our many service partners and stakeholders who are also committed to our clients.

I appreciate the contributions of all and am confident that our shared efforts will continue to provide the best support and service possible for PGT clients.

Catherine M. Romanko
Public Guardian and Trustee

PERFORMANCE REPORT

ACCOUNTABILITY STATEMENT



The 2013–2014 Performance Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the 12 months ended March 31, 2014. The report addresses all significant events that occurred, and decisions made, up to September 17, 2014.

The information presented represents a comprehensive picture of our actual performance in relation to our service delivery plan. The report contains estimates and significant interpretive information that represents the best judgment of management.

The measures presented are consistent with the organization's mandate, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

The report is intended for a general audience. Specific users may require more detailed information than is contained in this report. The report has been prepared in accordance with the *Public Guardian and Trustee Act* and Performance Reporting Principles for the British Columbia Public Sector.

Catherine M. Romanko
Public Guardian and Trustee

September 17, 2014

Auditors' Report on the 2013–2014 Performance Report of the Public Guardian and Trustee of British Columbia

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Canada

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To:

The Public Guardian and Trustee of British Columbia,
The Attorney General and Minister of Justice, Province of British Columbia, and
The Members of the Legislative Assembly of British Columbia

We have audited the accompanying 2013–2014 Performance Report (Performance Report) of the Public Guardian and Trustee of British Columbia (PGT) for the year ended March 31, 2014 based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act (PGT Act)* and on the Performance Reporting Principles for the British Columbia Public Sector (BC Performance Reporting Principles) (collectively referred to herein as the Criteria). The Performance Report and its fair presentation in conformance with the Criteria are the responsibility of the PGT. Our responsibility is to express an opinion, based on our audit, on the fair presentation of the Performance Report in conformance with the Criteria.

We conducted our audit in accordance with the standards for assurance engagements established by CPA Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the Performance Report is fairly presented in conformance, in all material respects, with the Criteria. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report, evaluating the fair presentation of the Performance Report in conformance with the Criteria, and performing such other procedures as we considered necessary in the circumstances.

Auditors' Report on the 2013–2014 Performance Report of the Public Guardian and Trustee of British Columbia

The Performance Report necessarily contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. These are provided to provide context to assist the reader in evaluating the plans and performance of the PGT. Such representations are the opinions of the PGT and, given their necessarily subjective nature and also the future orientation of some of the representations, such representations inherently cannot be subject to independent audit verification. Further, as described in the Performance Report section entitled Linking Resources to Performance (pages 62 to 71), the tables and related information on pages 62 to 71 of the Performance Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this audit; accordingly, with respect to the tables and related information on pages 62 to 71 of the Performance Report, our audit was limited to providing reasonable assurance that the Performance Report is consistent with the audited financial statements contained in the PGT's 2013–2014 Annual Report.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to independently verify the representations described in the paragraph above and had we performed a more extensive examination of the tables and related information on pages 62 to 71 of the Performance Report as referred to in the paragraph above, the PGT's Performance Report for the year ended March 31, 2014 is fairly stated in conformance, in all material respects, with the Criteria.

The attached Appendix to this report provides further explanation regarding the fair presentation of the Performance Report in conformance with the Criteria.

KPMG LLP

Chartered Accountants
Vancouver, Canada
September 17, 2014

Appendix to the Auditors' Report on the 2013–2014 Performance Report of the Public Guardian and Trustee of British Columbia

This Appendix summarizes and explains selected key aspects of how the Performance Report is fairly presented in conformance, in all material respects, with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *PGT Act* and with the BC Performance Reporting Principles (collectively referred to herein as the Criteria).

BC Performance Reporting Principle 1 – Explain the Public Purpose Served

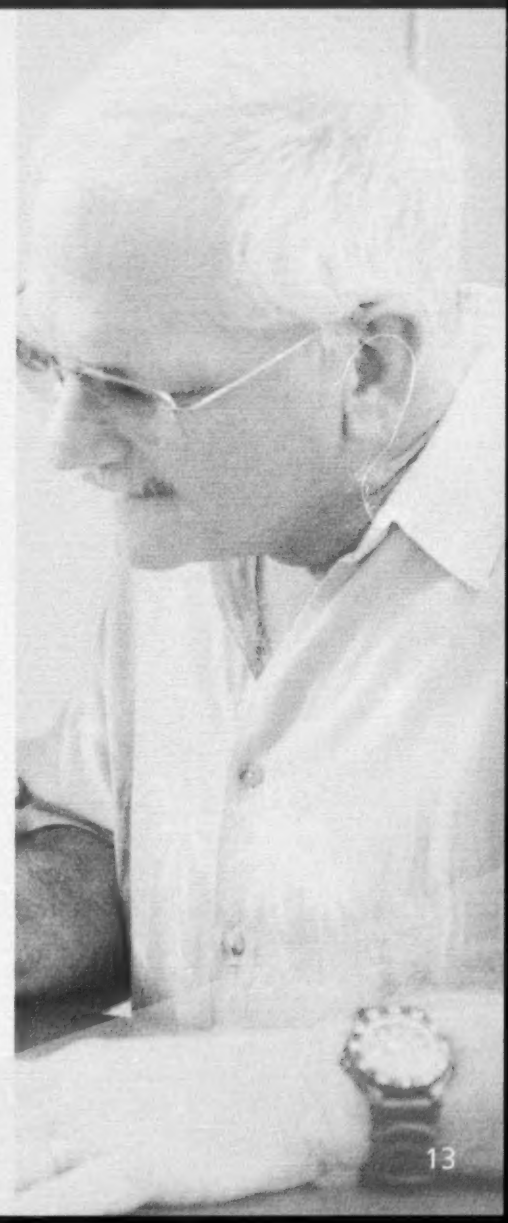
The Performance Report identifies and explains the PGT's mandate, enabling legislation, vision, and organizational structure. Core program areas, services, clients, and stakeholders are described, as is the role of service partners. The PGT's role and relation to the courts and the Crown are explained. The Performance Report describes the PGT's seven major values and how they guide and are embedded in the PGT's operations.

BC Performance Reporting Principle 2 – Link Goals and Results

The Performance Report identifies and explains the PGT's mandate and vision, its service delivery plan including the goals it has identified in support of its mandate and vision, the related more detailed objectives and performance measures, and its actual results, providing linkages and a logical flow between them. The relevance and relation to long-term outcomes are identified and explained for key performance measures and results. Variances between planned and actual results are identified and explained. The impact of results on the PGT's future direction is also identified and explained where relevant.

BC Performance Reporting Principle 3 – Focus on the Few Critical Aspects of Performance

The PGT's April 1, 2013 – March 31, 2016 Service Delivery Plan identifies the PGT's five goals related to the three aspects of its mandate, one to five specific objectives related to each goal, and related specific performance measures. Except for one performance measure that was planned but not implemented (as explained in the Performance Report), the Performance Report repeats this information from the Service Delivery Plan, and provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.



Appendix to the Auditors' Report on the 2013–2014 Performance Report of the Public Guardian and Trustee of British Columbia

BC Performance Reporting Principle 4 – Relate Results to Risk and Capacity

The Performance Report summarizes management's approach to risk, including risk identification and assessment, consideration of potential impacts of risks on achievement of PGT goals, and consideration of risk tolerance, resource constraints, and mitigation strategies. It summarizes management's view of the significant risks faced by the PGT, related potential causes including capacity issues, and current and possible risk mitigation strategies for dealing with the risks. Current capacity is described in relation to current results and to the PGT's ability to deliver on its organizational goals and objectives.

BC Performance Reporting Principle 5 – Link Resources, Strategies and Results

The Performance Report identifies the major sources, nature, and amounts of the PGT's funding, provides budgeted and actual revenues and expenses by program area and for the PGT as a whole, and explains key variances between budgeted and actual revenues and expenses for the PGT as a whole. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies, for each program area and for the PGT as a whole, the total staff, number of clients, and financial indicators including revenue, expenses, and assets under administration. The Performance Report identifies trends and issues impacting results, revenues, and expenses, and also describes how resources, strategies, and results are linked, including linking areas of expenditure with its goals that are most directly affected by the expenditures. The Performance Report links financial and performance information in a way that should help readers understand the efficiency and economy of the PGT's operations.

BC Performance Reporting Principle 6 – Provide Comparative Information

For each identified specific performance measure linked to the PGT's goals, when applicable the Performance Report provides clear comparisons between planned results, actual results, and previous years' results, as well as targeted results for the following year. When relevant and material, explanations are provided of changes in the nature, source data, and/or calculation of the performance measures. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies trends and issues impacting results, revenues, and expenses. The Performance Report also explains the reasons for the lack of provision in the Performance Report of comparative information to similar organizations.

Appendix to the Auditors' Report on the 2013–2014 Performance Report of the Public Guardian and Trustee of British Columbia

The *PGT Act*, and BC Performance Reporting Principle 7 – Present Credible Information, Fairly Interpreted

The Performance Report has been made by the PGT to the Attorney General and Minister of Justice, Province of British Columbia, by September 30, 2014 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*. Our related auditors' report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our auditors' report, our opinion relates to the credibility of the information in the Performance Report, including its fair presentation in conformance, in all material respects, with the Criteria based on the best judgement of the PGT.

BC Performance Reporting Principle 8 – Disclose the Basis for Key Reporting Judgements

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported upon. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing their accountability for the Performance Report, and representing (among other things) that: the Performance Report has been prepared in accordance with the *PGT Act* and the BC Performance Reporting Principles; that it contains estimates and significant interpretive information that represents the best judgement of management; that the measures presented are consistent with the organization's mandate, goals and objectives, and focus on aspects critical to understanding the organization's performance; and that it reflects the actual performance of the PGT for the twelve months ended March 31, 2014.

Mandate

The mandate of the Public Guardian and Trustee is to:

- Protect the legal and financial interests of children under the age of 19 years;
- **Protect the legal, financial and in some cases personal and health care interests of adults who require assistance in decision making; and**
- Administer estates of deceased and missing persons.

During 2013–2014, the PGT provided services through 250 employee positions to approximately 28,700 clients and administered approximately $887 million of trust assets. When managing the financial interests of an individual, estate or trust, the PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a trustee or an agent.

The PGT exercises quasi judicial authority in specific situations as a result of obligations created by statutory law. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, vulnerable adults or estates are at risk.

The PGT self funds a large percentage (67% in 2013–2014) of its actual expenditures through fees and commissions charged on client income and assets.

The PGT has a fiduciary duty to advance the private interests of its clients even if they are contrary to the interests of government. The PGT is independent of government in its case related decision making responsibilities.

Vision

The PGT vision is: **Rights, choices and security for all British Columbians.**

CHILD AND YOUTH SERVICES

17,939 clients*

46 staff

173 million assets**

Protect the legal and financial interests of children and youth under the age of 19.

SERVICES TO ADULTS

515 million assets**

97 staff

8,812 clients*

Protect adults who require assistance in decision making through protection of their legal rights, financial interests and personal care interests.

ESTATE AND PERSONAL TRUST SERVICES

198 million assets**

2,268 clients*

28 staff

Administer estates of deceased persons, estates of missing persons, and trusts.

* Clients: the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

** Total value of assets under that administration (at March 31, 2014)

VALUES

INTEGRITY

We act in accordance with the highest ethical, legal and personal standards.

INNOVATION

We challenge ourselves to seek new and improved ways to deliver service and assist clients.

CLIENT CENTRED SERVICE

We constantly strive to provide quality customer service to our clients who are the focus of our services.

STAFF SUPPORT

We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.

OPENNESS

We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.

RESPECT

We treat clients, their family and friends in a courteous, respectful manner.

TEAMWORK

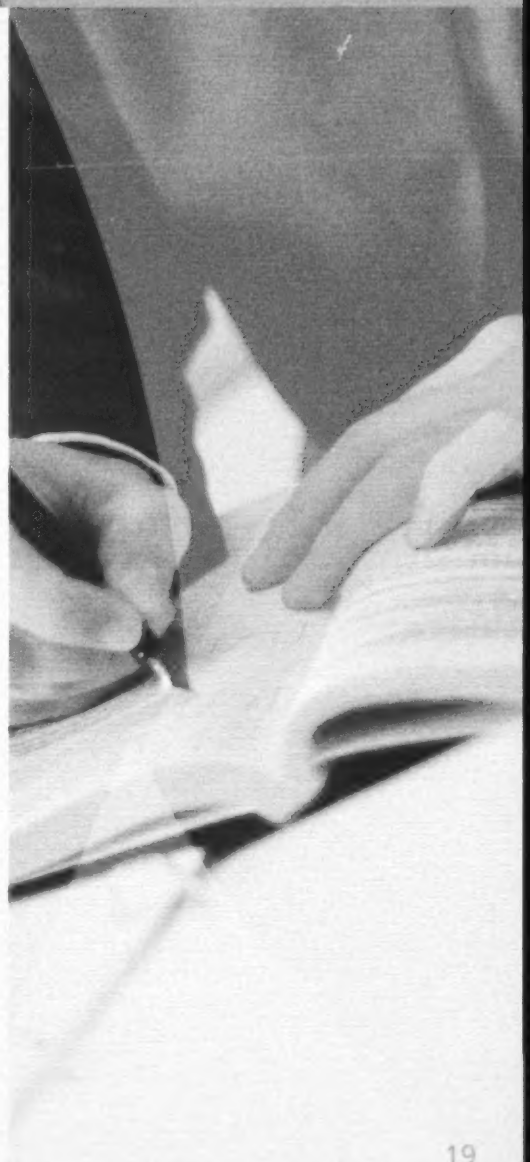
We work with one another and with service partners in striving for seamless service delivery.

STATUTES

Numerous acts set out the powers and duties of the PGT.

Key provincial statutes include:

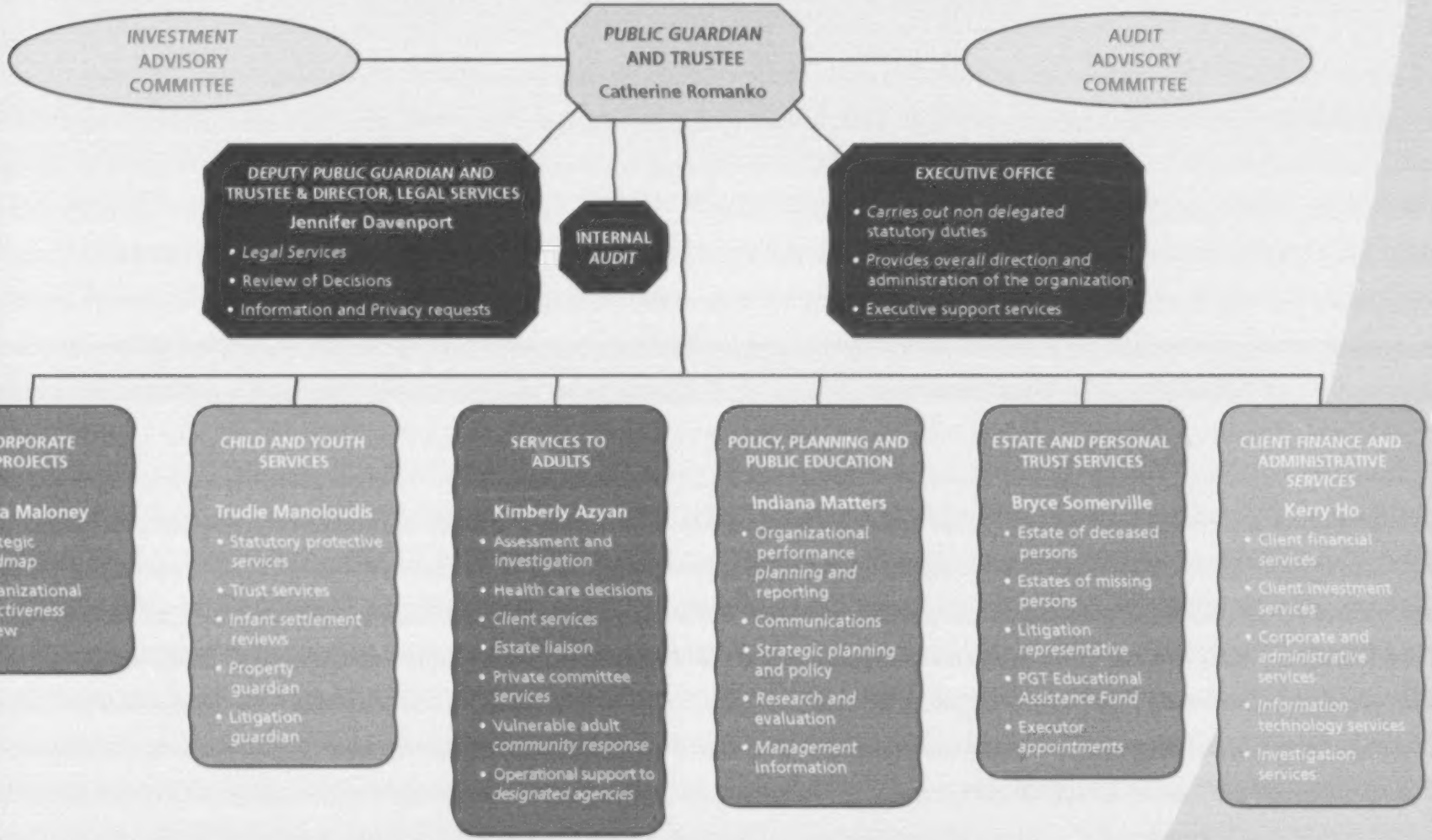
- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act**
- *Estates of Missing Persons Act*
- *Family Law Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trust and Settlement Variation Act*
- *Trustee Act*
- *Wills Act**
- *Wills, Estates and Succession Act*
- *Wills Variation Act**



*The *Wills, Estates and Succession Act* (WESA) came into force on March 31, 2014. The *Estate Administration Act*, *Wills Act* and *Wills Variation Act* have been repealed by WESA; however, portions of those acts continue to apply if a deceased person died before March 31, 2014.

ORGANIZATION CHART

Public Guardian and Trustee Organizational Structure (as of March 31, 2014)



ACCOUNTABILITY FRAMEWORK

The PGT is a corporation sole established under the *Public Guardian and Trustee Act.*

Catherine M. Romanko was appointed as the Public Guardian and Trustee for a six year term effective October 10, 2011. The PGT can serve a maximum of two terms.

The PGT is accountable to the provincial government, the legislature, the public and directly to PGT clients. Overall accountability is exercised through the government's review and approval of the PGT service delivery plan, public reporting on performance and through annual independent performance and financial audits.

Accountability to PGT clients is exercised through internal review processes, the Ombudsperson and judicial oversight of PGT statutory and fiduciary obligations. Many PGT functions are fiduciary in nature and judicial oversight mechanisms are highly developed.

Two advisory committees assist the PGT. The **Investment Advisory Committee** is a statutory committee established under the *Public Guardian and Trustee Act* to advise on strategic investment policy. The **Audit Advisory Committee** is established by the PGT to advise on key aspects of internal and external audit, accountability and internal controls.

Performance Planning and Reporting

Part 3 of the *Public Guardian and Trustee Act* establishes an accountability framework that provides for performance planning and reporting.

Section 22 requires the PGT to prepare an annual three year service delivery plan (SDP) and deliver it to the Attorney General and Minister of Justice not later than December 31 for the upcoming three fiscal years. If approved by the Attorney General and Minister of Justice, the PGT must submit the plan to the provincial Treasury Board for approval. The *Act* specifies content of the SDP.

Section 25 requires the PGT to report to the Attorney General and Minister of Justice in each fiscal year on operations of the office for the preceding fiscal year. This annual report must be submitted to the Attorney General and Minister of Justice by September 30 and thereafter tabled in the Legislative Assembly.

The *Act* stipulates that the annual report must include an audited performance report relating to the performance targets and other objectives established in the SDP, together with audited financial statements for both PGT operations and its stewardship of client estates and trusts under administration.

Corporation Sole

The PGT is a corporation sole. This is a corporate legal structure in which all authority and responsibility is vested in a single office holder who may delegate authority and who operates without a board of directors. This structure is used primarily in situations requiring clear accountability and is a common model for public guardians and trustees in Canada.

CLIENTS, STAKEHOLDERS AND SERVICE PARTNERS

PGT clients, stakeholders and service partners are categorized by the nature of the value they derive from PGT roles.

CLIENTS

Children and adults on whose behalf the PGT makes decisions concerning their legal and financial, and in some cases, their personal or health care interests; and estates and the intestate successors and beneficiaries of estates managed by the PGT.

STAFF

Staff working in all PGT departments and locations.

RELATIVES AND FRIENDS OF CLIENTS

Individuals and friends who are concerned for the well being of PGT clients.

GENERAL PUBLIC

A diverse group including all citizens, community groups, concerned individuals, or current and future British Columbians.

GOVERNMENT

All of the federal, provincial, municipal and First Nations governments with whom the PGT interacts for and on behalf of clients, including provincial ministries, health authorities and other public service partners.

PROFESSIONALS

A diverse group of professionals who interact with the PGT and its clients. Examples include financial institutions such as banking and investment professionals, medical and social services professionals, lawyers and private service providers such as care facilities.

PROGRAM AREAS

The PGT serves clients primarily through three broad program areas: Child and Youth Services, Services to Adults and Estate and Personal Trust Services. These are supported by Client Finance and Administrative Services, Internal Audit, Legal Services and Policy, Planning and Public Education. The Executive Office provides overall direction, coordination and consultation with public guardians and trustees in other jurisdictions.

CHILD AND YOUTH SERVICES

The PGT protects the legal and financial interests of minors under the authority of a range of provincial statutes. The PGT Child and Youth Services division (CYS) works on behalf of and directly with minor children and youth as well as with their parents or guardians, with primary emphasis on its roles as property guardian, trustee and reviewer of proposed settlements and legal notices.

Property Guardian

As property guardian (formerly guardian of estate), the PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. The PGT is also property guardian for children who have no legal guardian or are undergoing adoption.

As property guardian, the PGT advances legal claims for damages arising from injuries suffered by children in care. The PGT also pursues financial benefits to which PGT property guardian clients may be entitled such as Canada Pension Plan Children's Benefits and Registered Disability Savings Plans.

Trustee

The PGT receives trust funds on behalf of children, including personal injury settlement proceeds, life insurance proceeds where a minor is beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named and a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for the benefit of the child.

The PGT is required to act as trustee for certain types of funds payable to minors while the *Family Law Act* provides that other funds may be paid directly to parents or guardians.

Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to a variety of claims such as the wrongful death of a parent or guardian and those arising from medical malpractice or motor vehicle accidents. These reviews help ensure that the settlements are reasonable and in the best interests of the children.

To protect the property interests of minors in trusts and estates, the PGT also reviews notices of applications to administer an estate of a deceased person or to vary a trust or a will when a minor or vulnerable adult is beneficiary or may be entitled to a share in the estate or trust. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT may investigate on behalf of the minor.

Child and Youth Services	
Total staff	46 positions
Total clients*	17,939
Property Guardian**	5,652
Trustee	10,033
Protective Legal Reviews	3,224
Litigation Guardian (non Property Guardian)	81
Total value of assets under administration (at March 31, 2014)	$173 million
Investments and securities	$169 million
Real property	$4 million
Other	$0.3 million

*Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

**Formerly Guardian of Estate, name changed by *Family Law Act*.

SERVICES TO ADULTS

The PGT protects the legal rights and personal and financial interests of adults who are unable to manage their affairs independently and who require substitute decision making. The majority of adult clients rely on PGT financial and legal management or review of decisions made by others. The PGT also makes or provides for substitute health care decisions to be made on behalf of some adults and exercises health and personal care decision making for a small number of other adults.

The PGT Services to Adults division (STA) acts for adult clients when other appropriate substitute decision makers are not available. Most adult clients have diseases of aging which have impaired their mental capability, while others have mental illnesses, developmental disabilities or brain injuries. In serving its adult clients, the PGT strives to balance client independence and the right to self determination with the need for protection.

Assessment and Investigation

The first contact the PGT has with most adult clients arises when staff respond to reports from concerned friends, relatives or professionals and they have to assess whether PGT services are required. This includes investigating reports of financial abuse of adults who may be mentally incapable and consulting with community and family members on possible abuse, neglect and self neglect issues. As a last resort, the PGT might seek authority to be

the decision maker where other options for assistance for the adult are not available.

Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient. A substitute decision maker is generally needed if patients are mentally incapable of making their own treatment decisions. In the absence of an existing substitute decision maker such as a committee of person or a representative under a representation agreement, the *Act* allows the closest qualified relative or close friend to make decisions. When these qualified individuals are not available or where there is dispute regarding who to select among equally ranked individuals, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment decisions itself.

Client Services

The PGT provides a wide range of direct financial management and personal decision making services for adults in vulnerable situations. It acts under a number of different roles including committee of estate, committee of person, power of attorney, representative, litigation guardian and pension trustee. In most cases, the PGT acts as committee of estate or committee of person for its adult clients.

When the PGT is appointed as committee of estate, staff work with the adult to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills, administering investments and managing property. When appointed as committee of person, the PGT makes health and personal care decisions on behalf of the adult.

Estate Liaison

Estate Liaison coordinates completion of STA direct involvement in a client's affairs and releases property under PGT administration when services from STA are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority, or is transferring authority for an adult client because the individual has become capable of managing his or her own affairs, someone else has been appointed as committee or because the client has died.

Private Committee Services

Committees are appointed by the court to manage the legal and financial and/or personal interests of an incapable adult. These committees may be the PGT or may be private committees who are often family or friends of the adult. When a private committee has been appointed, the PGT reviews their financial accounts and investigates concerns that they may not be complying with their duties.

Vulnerable Adult Community Response

The *Adult Guardianship Act* provides authority for the PGT to designate by regulation external agencies that then have a duty to receive and respond to allegations of abuse, neglect and self neglect of vulnerable adults. The current Designated Agencies are the Health Authorities, Community Living BC (CLBC) and Providence Health Care Society.

The *Act* further provides authority for the PGT to organize community networks to provide support and assistance to abused and/or neglected adults. The PGT accomplishes this through coordinating a range of province wide standing committees and special events involving service partners and other stakeholders.

Services to Adults	
Total staff	97 positions
Total clients*	8,812
Assessment and Investigation	1,908
Client Services	4,261
Health Care Decisions	516
Estate Liaison	1,228
Private Committee Services	2,270
Adult Legal Monitoring	903
Total value of assets under administration (at March 31, 2014)	$515 million
Investments and securities	$377 million
Real property	$125 million
Other	$14 million

*Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

ESTATE AND PERSONAL TRUST SERVICES

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS).

Administration of Estates of Deceased Persons

The PGT administers estates when the executor, heir, beneficiary or other eligible person is not able or willing to do so. When the *Wills, Estates and Succession Act* came into force on March 31, 2014, the Official Administrator entity was abolished and the PGT directly assumed the Official Administrator role in administering estates of deceased persons. The PGT also administers estates of deceased persons when the intestate successor or beneficiary is a client under authority in another PGT division such as Services to Adults or Child and Youth Services. In addition, the PGT may agree to be appointed as the executor under a will. The PGT filed 370 probate applications with the Supreme Court of BC in 2013–2014.

If the estate is of minimal value and no next of kin can be found who are willing and able to make funeral arrangements, EPTS ensures that a referral is made to the Ministry of Social Development and Social Innovation to provide for a respectful funeral at public expense.

Trusts

The PGT acts as trustee for trusts created by will, court order, or inter vivos settlement. If options to appoint a family member or trust company are not appropriate, the PGT may agree to act as trustee. These trusts may be created to ensure that the benefits going to a child or adult are protected or alternatively, may be created to provide benefits going forward in perpetuity for a charitable organization. Most of the trusts are discretionary as to payment of both income and capital, so the funds are distributed at PGT discretion as trustee in accordance with terms of the trust agreement.

Executor Appointments

The PGT may agree to be appointed executor of a will in appropriate circumstances. Once appointed executor, the PGT follows up with each will maker periodically to help ensure that the will is current and their estate plans are appropriate.

Litigation Representative

The PGT may agree to act as litigation representative for purposes of a specific legal action brought against an estate if there is no executor, administrator or other person to act. The PGT role is generally limited to accepting service of legal documents on behalf of estates without assets. If the estate has assets, the PGT will apply for letters of administration and will deal with the litigation under that authority.

PGT Educational Assistance Fund

As trustee of this trust established by the province of BC in 1989, the PGT distributes bursaries from the trust to qualifying adults who were formerly under the continuing care of the province.

Under the terms of the trust, applicants are assessed on their grades, financial needs, career goals, personal commitment and other sources of funding. Funds available are dependent on rates of investment return. The trust had a capital value of $856,982 at December 31, 2013. In 2013–2014, there were 23 applicants and bursaries totaling $16,600 were awarded to 13 individuals.

Estates of Missing Persons

The PGT acts as curator for persons who are missing as defined in the *Estates of Missing Persons Act*. The curator manages the adult's property until the person is located or until the funds are paid into court for safekeeping. These cases are rare.

Estate and Personal Trust Services	
Total staff	28 positions
Total clients*	2,268
Deceased Estates	1,776
Trusts	251
Litigation Representative	25
PGT Educational Assistance Fund	23 applicants
Estates of Missing Persons	1
Executor Appointments	239
Total value of assets under administration (at March 31, 2014)	$198 million
Investments and securities	$158 million
Real property	$34 million
Other	$6 million

*Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

CLIENT FINANCE AND ADMINISTRATIVE SERVICES

The PGT Client Finance and Administrative Services division (CFAS) provides a wide range of both corporate and direct client services.

As an independent agency, the PGT requires a broad spectrum of its own corporate services which include budget planning, corporate accounting, information technology, human resources coordination and facilities and administrative services.

Client services include collecting client income, making client disbursements, providing investment expertise and investigating, securing and administering physical assets on behalf of clients.

Client Financial Services

Client Financial Services (CFS) has ongoing responsibility for managing client income, disbursements, assets and liabilities.

Investment Services

Investing client assets is a major PGT responsibility and by statute, the PGT is required to act as a prudent investor. The PGT applies diligent processes in reviewing and assessing client needs to determine their investment goals and objectives and develops personalized investment plans for clients with more than $50,000 in net financial assets. For more information on investments, see page 36.

Field Services

Field Services investigates and secures client physical assets and maintains a warehouse.

Information Technology Services (ITS)

The PGT maintains information technology services independently from the provincial government to help ensure that client information is kept confidential.

Corporate Financial Services

Corporate Financial Services provides budget planning, development and monitoring as well as corporate payment processing for the PGT. This includes preparing and supporting Treasury Board submissions, assisting with proposals for new legislation and leading the organization in implementing corporate wide financial initiatives.

Facilities and Administrative Services

Facilities and Administrative Services (FAS) provides corporate facilities, mail, records and administrative services required by the PGT as an independent agency. In 2013–2014, the mailroom logged over 38,000 incoming cheques.

LEGAL SERVICES

PGT Legal Services are delivered by a complement of 13.5 staff lawyer positions distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Director of Legal Services.

Within their assigned areas of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, they may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel acting on behalf of clients in a variety of civil matters.

Staff lawyers also carry out certain statutory obligations of the PGT, such as reviewing applications for appointment of private committees, settlements of claims for unliquidated damages on behalf of minors, proposed transactions affecting the property interests of minors and legal notices where the interests of minors or incapable adults may be affected. In some circumstances, staff lawyers provide written comments to the court regarding issues concerning the interests of minors or incapable adults in civil proceedings.

At March 31, 2014, PGT staff lawyers were providing legal advice and services to clients that involved acting on approximately 3,300 different legal issues. This does not include information regarding class actions which is reported separately.

Other in house counsel carry out a variety of duties to support PGT statutory obligations, including providing legal oversight of PGT involvement in advancing client interests in class proceedings; managing the overall provision of legal services to PGT clients by outside counsel; and coordinating compliance with access to information and privacy legislation. In 2013–2014, the PGT responded to 26 requests for information and 4 court orders for production of records.

In 2013–2014, the PGT investigated clients' eligibility for settlement payments in 19 class actions and filed claims, where appropriate. It continues to monitor 10 separate class actions and/or potential class actions on behalf of clients.

The Deputy Public Guardian and Trustee and staff lawyers contribute regularly as speakers and writers for Continuing Legal Education activities with respect to the law that impacted PGT clients. They also participate in government law reform initiatives relevant to the PGT mandate. During 2013–2014, these included consultation respecting the new *Wills, Estates and Succession Act* and related court rules; the *Adult Guardianship Act*; and the *Public Guardian and Trustee Act*.

POLICY, PLANNING AND PUBLIC EDUCATION

The Policy, Planning and Public Education division provides a range of organization wide services in support of PGT operations. These include statutory organizational performance planning and reporting, internal and external communications, strategic and business planning, policy development, management information, research and evaluation.

PARTNERSHIPS AND OUTREACH

The PGT recognizes the importance of providing public information and education about the PGT and related services to facilitate cooperation with service partners and stakeholders, to inform the public about related issues and to mitigate the growth in demand for PGT services by providing information so individuals can make informed choices.

To this end, the PGT mandate includes providing public education and applying PGT special expertise to advocate for PGT clients at a systemic level as well as that of individual clients. The PGT Service Delivery Plan has a specific performance goal related to this work – The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.

In 2013–2014, the PGT contributed its expertise through extensive partnership and outreach activities, many of which are described below.

Formal committees:

- Chair, BC Adult Abuse/Neglect Prevention Collaborative, a province wide community/ government group working towards continuous improvement in the BC response to adult abuse/ neglect and self neglect;
- Co chair, provincial Collaborative with membership from Ministry of Social Development and Social Innovation, Planned Lifetime Advocacy Network, Vancouver Foundation, CLBC, and MCFD, designed to increase usage of Registered Disability Savings Plans (RDSPs) for eligible British Columbians;
- Co chair, Indigenous Financial Literacy Committee (formerly the First Nations Financial Literacy Committee), a partnership including First Nations, the federal government, Aboriginal and private sector organizations focused on developing and delivering educational materials;
- Partner, BC Child and Youth in Care Week;
- Coordinator, Certificate of Incapability Process Review Committee involving Health Authorities, Ministry of Health and the Ministry of Justice, to develop new procedural guidelines regarding conducting incapability assessments for adults;
- Facilitator, Adult Guardianship Provincial Advisory Committee, including representatives of Health Authorities and Community Living BC (CLBC), to coordinate adult protection efforts on a provincial level;

- Member, Disability Strategy Reference Group, Assistant Deputy Minister cross ministry group responsible for Accessibility 2024, Making BC the most progressive province in Canada for people with disabilities by 2024;
- Member, Council to Reduce Elder Abuse, established to facilitate implementing the provincial government plan – "Together to Reduce Elder Abuse – BC's Strategy";
- Member, Steering Committee for the provincial Services to Adults with Developmental Disabilities initiative (STADD);
- Member, Children's Forum, an information sharing forum for BC senior officials with an interest in child protection and related services;
- Member, Partnership Alliance in Support of CLeAR, an initiative chaired through the BC Patient Safety and Quality Council aimed at reducing the use of antipsychotics in residential care;
- Member, Advisory Committee for the Canadian Network for the Prevention of Elder Abuse "Knowledge Sharing Project" to create a national, interactive, best practices hub for addressing abuse of older adults;
- Member, Partnership meetings with Aboriginal Affairs and Northern Development Canada, Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) regarding services to Aboriginal children in care;
- Member, Representative for Children and Youth External Advisory Committee, planning implementation of its expanded mandate to provide advocacy services to youth aged 19–24; and
- Member, Advisory Committee for the BC Campus Project, Elder Abuse Reduction Education Project, a project designed to develop an online education resource for post secondary students.

Major consultations

Participated in provincial law reform initiatives including:

- Consultation with respect to the development of the *Wills, Estates and Succession Act* and *Probate Rules*;
- Consultation on proposed amendments to *Patients Property Act* and the *Adult Guardianship Act* and associated regulations;
- Made a submission to the Federal Department of Finance regarding potential impact to Canada's Financial Consumer Protection Framework to protect interests of vulnerable citizens;

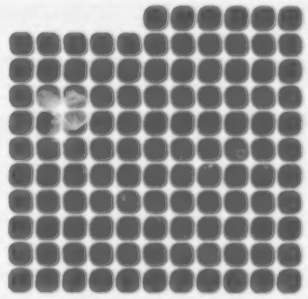
- Participated in a consultation conducted by the Federal Department of Finance regarding changes to taxation rates of trusts and certain estates to protect PGT client interests;
- Continued discussions with representatives of national and provincial financial institutions on addressing issues related to financial abuse of vulnerable persons;
- Consulted directly with Bank of Montreal and Service Canada at the national level to lessen barriers causing rejected RDSP applications;
- Participated in the Building Support Networks Project initiated to work with a small set of youth in care and adults formerly in care for whom the PGT holds an RDSP;
- Engaged with MCFD and CLBC in early transition planning to develop supports for children in care with special needs nearing adulthood so their RDSPs can be continued without needing the PGT to act as committee; and
- Liaised with CLBC on a variety of projects including information sharing and related data matching.

Educational outreach

- At the request of the Ministry of Aboriginal Relations and Reconciliation made a presentation to the Northern Shuswap Treaty Meeting regarding the PGT mandate and roles;
- Regularly attended and participated in youth engagement activities at the Broadway Youth Resources Centre (BYRC);
- Provided quarterly training on the role of the PGT to new social workers through the Indigenous Perspective Society (formerly Caring for First Nations Children Society);
- PGT lawyers spoke at Canadian Bar Association subsection meetings and contributed to the Continuing Legal Education Society (CLE) by speaking at CLE courses;
- Facilitated a broad range of financial literacy workshops for youth including those served by the Vancouver Aboriginal Child and Family Services Society, participating in the MCFD/YWCA Strive Program, or involved in the BYRC "Phones for Change" program and teaching youth using First Nations Financial Fitness training materials;
- Made quarterly submissions to the Power Pages Magazine issued by the Federation of BC Child and Youth in Care Networks; and
- Participated in Gathering Our Voices Youth Conference.

PGT Summary Indicators	
Total staff	250 positions
Total clients*	28,700
Total value of assets under administration (at March 31, 2014)	$887 million
Investments and securities	$704 million
Real property	$163 million
Other	$20 million
Business Indicators	
Client funds invested	$704 million
Client bills paid	$166 million
Client receipts processed	$163 million
Other Indicators	
Clients with trust accounts	14,199
Real properties sold	139
Income tax filings	5,641

*Client counts reflect the number of individual clients served both by individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the divisional totals as clients may require service in more than one division.



250

Total staff positions

28,700

Total clients*

$887 million**

**Total value of assets under administration (at March 31, 2014)

INVESTMENTS

The PGT has three pooled investment funds for clients – the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund.

The **Premium Money Market Fund** is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size $466 million at March 31, 2014).

The **Balanced Income Fund** is aimed at generating current income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size $31 million at March 31, 2014).

The **Balanced Growth Fund** is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons such as young children. (Fund size $91 million at March 31, 2014).

The PGT professionally invests client funds in the pooled funds and other investment alternatives and relies on the services of brokerages. Although the PGT generally invests client funds in its three pooled funds, the choice of alternatives is determined by client goals and objectives set out in investment plans which are monitored on a regular basis according to portfolio risk.

The following table provides comparisons of rates of return for PGT pooled funds and standard alternatives as at March 31, 2014.

PGT Pooled Funds	Comparisons*
Premium Money Market Fund	
1.61% (1 year)	91 day Government of Canada Treasury Bill: 1.00%
	3 year Guaranteed Investment Certificate: 2.20%
	Chequing account interest: 0.05%
Balanced Income Fund	
9.18% (5 years annualized)	Standard industry portfolio benchmark: 8.53% (5 years annualized)
Balanced Growth Fund	
11.18% (5 years annualized)	Standard industry portfolio benchmark: 10.73% (5 years annualized)

*Sources: Premium Money Market Fund – BC Investment Management Corporation; GOC Treasury Bill – RBC Investor Services; GIC – CIBC Wood Gundy; Chequing account – CIBC Wood Gundy; Balanced Income Fund and Balanced Growth Fund – RBC Investor Services.

SOCIETAL TRENDS AND OTHER FACTORS

A number of social trends, risk factors and internal issues affect the work of the PGT. These include the following:

A. Evolving Legislative Framework

A major PGT focus continues to be implementing new legislation which affects the role of the PGT in providing service to all of its major client groups.

Implementing new law affecting PGT operations requires developing and implementing corresponding changes to business practices, information technology systems, policies and procedures, manuals and public education materials, as well as training staff for new duties. It requires the PGT to develop information materials to assist clients, service partners and stakeholders in understanding new PGT services and may also require extensive consultation with external service partners.

During 2013–2014, the PGT implemented the *Wills, Estates and Succession Act* (WESA), and related new *Probate Rules* which came into force on March 31, 2014. This new law changed the fundamental rules of succession and the manner in which estates of deceased persons are administered in British Columbia. It also impacted both the entitlement of PGT clients to share in or administer estates and the role of the PGT as estate executor or administrator.

In this period, the PGT also prepared to bring selected provisions of the *Adult Guardianship and Planning Statutes Amendment Act, 2007* relating to statutory property guardianship into force on December 1, 2014. The legal process for appointing a statutory property guardian had been strongly criticized for lack of administrative fairness by the BC Ombudsperson in her February 2013 report – *No Longer Your Decision: British Columbia's Process for Appointing the Public Guardian and Trustee to Manage the Financial Affairs of Incapable Adults.*

Once in force, these adult guardianship provisions will add new legal requirements to services delivered by the PGT including additional procedural steps and duties in the determination of whether an adult requires a guardian, enhanced notification and consultation requirements and new procedures for responding to requests for reassessment and appeals of capacity assessments.

The PGT also participated in consultations carried out by the Government of Canada concerning matters impacting the interests of PGT clients. This included participating in consultations conducted by the federal Department of Finance regarding changes to taxation rates of trusts and certain estates and regarding the potential impact of consumer protection laws on vulnerable citizens.

B. Changing Service Expectations

During 2013–2014, the PGT undertook extensive planning to identify how best to align its service delivery strategies with changing public expectations. It produced a strategic roadmap, "Evolving Services for Changing Needs" that identified gaps that currently exist between client needs and legitimate expectations and existing business systems and proposed solutions to respond to the gaps. Through this process, the PGT confirmed that its legacy systems, paper based environment, and associated heavy administrative burden made meeting client's service expectations challenging.

While many of the proposed solutions to current challenges are technological in nature and focused on the need for an integrated and modern client financial, case and document management system, the roadmap also considered developing the most appropriate solutions to identified client needs.

Accordingly, other proposed solutions included business process redesign, enhanced skills and knowledge training for staff, improved business controls, and changes to the organizational structure and funding model.

The strategic roadmap will chart the way forward for the PGT to a new operating model founded on effective, efficient and accessible client service. During the coming year, the PGT will continue to build the strategic plan by holding client and stakeholder focus groups to validate service expectations.

C. Enhancing Services to Child and Youth Clients

The PGT serves children and youth in a number of ways and has identified areas in which these clients have unmet needs.

As property guardian for children and youth in continuing care with responsibility for their legal and financial needs, the PGT is coguardian with the MCFD and DAAs, which are the personal guardians.

PGT statutory authority as property guardian currently ends when a child turns 19 years of age. However, the termination of services to these vulnerable youth at age 19 is inconsistent with evolving policy and practice in other areas of provincial services to provide more transitional support to these youth. Public awareness is growing that the lack of support for youth leaving care at a critical period of development places these young people, who have already been significantly disadvantaged, at an even greater disadvantage compared to other youth who continue to be supported by their families and social networks.

Young people for whom the PGT acts as property guardian and as trustee would benefit from financial literacy training prior to the age of majority. As part of mitigating the impact on youth of the move to independent living, the PGT has developed financial literacy materials and partnered with other agencies to produce key resources and deliver related training.

One major initiative has been that of developing components for a First Nations Financial Fitness program, in particular a *First Nations Financial Fitness Handbook* and accompanying *Facilitators Guide*. These tools are already being widely used in community and individual financial literacy training workshops. In this work, the PGT partnered with First Nations, the federal government and Aboriginal and private sector organizations.

Property guardian clients who hold RDSPs could benefit from assistance in maintaining such plans as they transition to adulthood. The PGT has made extensive efforts to open RDSPs for its property guardian clients, resulting in 589 plans with $3.6 million in assets open at March 31, 2014. The PGT is also considering options to offer transitional support services to these young people, potentially in the area of post majority financial management.

D. Transition in PGT Roles

The PGT role has been changing as part of a long term transition that has both service delivery and financial implications. The PGT was originally established and for many years acted primarily as a fiduciary providing direct financial and legal management services to clients, including a large number who lived in institutions. This focus has been undergoing a long term transition to a role that now also includes significant investigative and regulatory responsibilities.

In addition to broader service implications, this transition has significant financial implications in that these new public services do not attract revenue from fees and commissions. As with other public bodies, the PGT is seeking to maintain and improve service with constant or decreasing resources. It has an ongoing continuous improvement program that focuses on ensuring existing processes are effective and optimized and has incorporated Lean methodology and other process improvement techniques for this purpose.

The PGT is also increasingly looking for technological solutions to respond to increased service and accountability demands and the PGT strategic roadmap has identified options for aligning these changes in roles and public demand to help ensure that client and stakeholder needs are met in the most efficient manner. Technological solutions can assist in mitigating risks associated with trust management, heavy workloads and manual business processes while also responding to increased demand for electronic service and digital access.

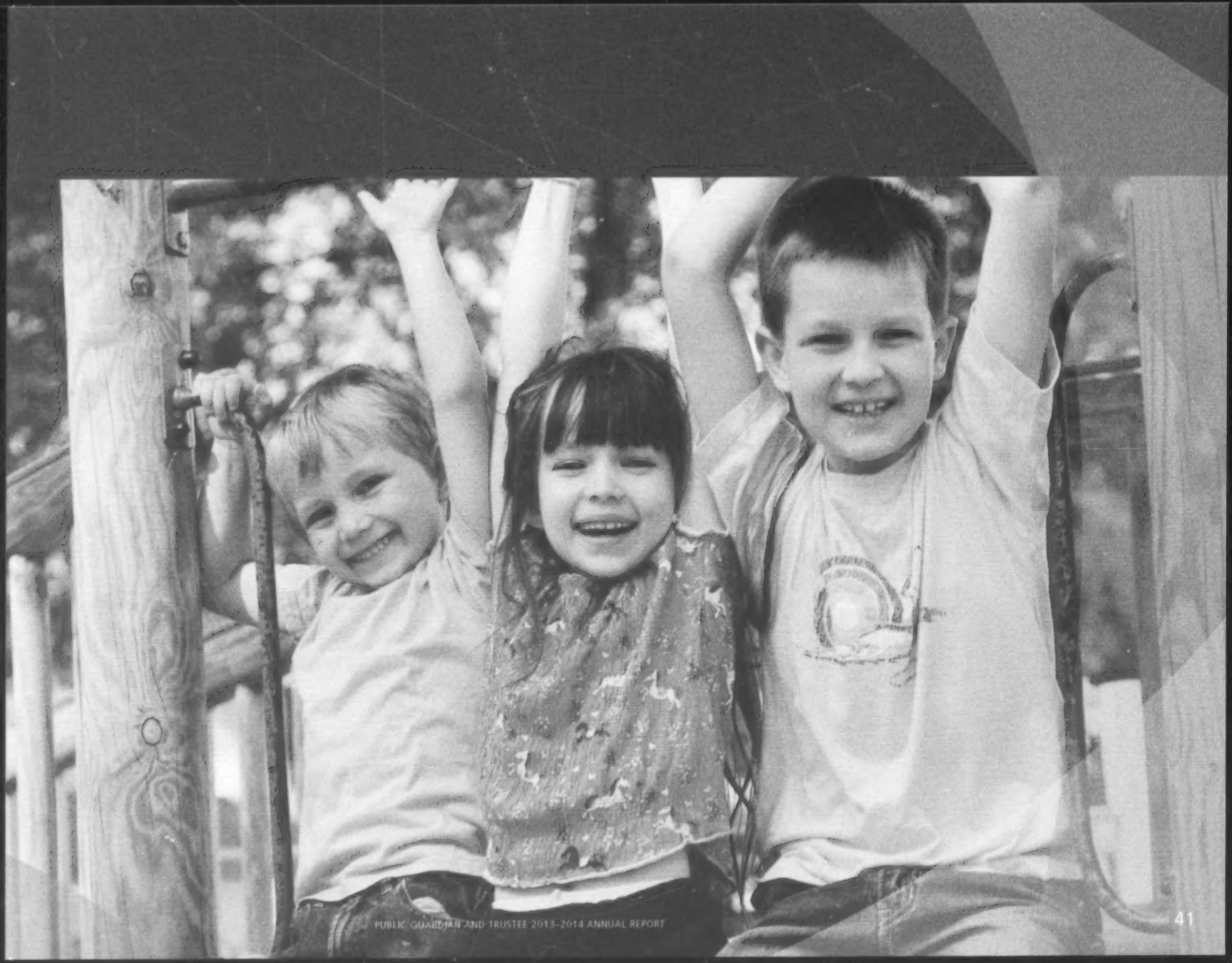
E. Increasing Awareness of Abuse of Vulnerable Adults

PGT adult clients include a very significant proportion of seniors who require assistance in decision making due to cognitive diseases of aging. Apart from its direct service, the PGT continues to play a significant role in facilitating community response to preventing and responding to

reports of abuse and neglect of vulnerable adults. PGT activities include working with public bodies and non profit and private sector organizations to address a broad range of concerns.

The PGT participates in numerous related provincial government initiatives. It is also working with CLBC on a number of initiatives to enhance protection for vulnerable adults with developmental disabilities.

The PGT is continuing to work provincially and nationally with financial institutions to streamline processes for reporting and investigating concerns of financial abuse of vulnerable adults.



CONTEXT FOR 2013–2014 PERFORMANCE RESULTS

This document reports on PGT performance in year one of the 2013–2016 Service Delivery Plan (SDP) which was approved by the Attorney General and Minister of Justice. While the 2013–2016 SDP was not formally approved by Treasury Board, the 2013–2014 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2013–2014 as presented in the SDP and are reported upon in this report.

Development of PGT Goals, Objectives and Performance Measures

The PGT is a client centred organization that seeks to improve the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial, personal and health care interests. PGT goals reflect specific areas in which the PGT can act to improve the quality of clients' lives.

Goals

The 2013–2016 SDP sets out the following five goals:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.
4. The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.
5. The PGT will deliver high quality client centred services.

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These are the well being of PGT clients, prudent management of client affairs, operational efficiency and staff effectiveness. Each of the five goals is related to one or more of these outcomes.

Goals 1, 2 and 3 deal directly with work the PGT undertakes on behalf of clients. Goals 4 and 5 concern both clients and organizational effectiveness.

As a fiduciary, a significant proportion of PGT activity involves property and financial management. The 2013–2014 PGT Performance Measurement Framework linking the goals, objectives and measures (pp. 48-50) demonstrates that Goal 1 has the greatest number of associated objectives and touches almost every area of the organization and its activities.

Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meanings of the goals as they relate to specific aspects of PGT work, identify key areas of performance and point to certain desired results in achieving the goals.

The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to achieving stated goals and are capable of being measured and validated to an audit standard.

CONTEXT FOR 2013–2014 PERFORMANCE RESULTS

Selecting objectives and performance measures is particularly challenging because in most instances the PGT contribution to client outcomes is contributory rather than causative.

Performance Measures

The PGT selects goals, objectives, performance measures and targets in accordance with underlying assumptions from its corporate values. PGT clients are often particularly vulnerable and the PGT contributes to their wellbeing through activities that are significant to clients, their family, friends, caregivers or intestate successors. Factors such as accessibility, timeliness, accuracy and empowerment are important to client wellbeing. Other factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as meeting legal requirements (fiduciary obligations), benchmarking against private sector standards (investment returns), responding to safety issues (investigations of high risk situations) or may reflect a balance between determining the acceptable level of performance in a specific period with consideration for resources and constraints. In addition, the PGT must be able to substantiate its reported performance results to an audit standard.

Due to the planning and reporting cycle, targets for the first year of the plan reflect the PGT assessment of appropriate and attainable service levels based on its best judgment at the time the targets were established. Results are continually assessed to determine if measures should be continued, targets should be adjusted or if resources could be reassigned to other service areas.

The PGT is mindful of its statutory obligation to report on all program areas. This 2013–2014 performance report includes 20 performance measures, one less than the previous year. A new performance measure related to more effectively measuring reviews of accounts for private committees has been omitted as it will not take effect until 2014–2015.

In 2013–2014, the target was increased for two measures and the particulars of the changes are described in the following narrative for the specific measures.

The PGT makes it a priority to meet its performance targets and monitors performance during the year. When targets are at risk, available resources are allocated in year to the program area.

The performance measures are set out in the 2013–2016 PGT Performance Measurement Framework (pp. 48-50).

ROLE OF THE PGT MANDATE, VISION AND VALUES

The PGT mandate, vision and values are reflected in all aspects of its service delivery. They are expressed in the philosophy that PGT staff apply to their work such as helping ensure that adult clients participate in decision making about their lives to the greatest extent possible and are supported in formal policies and structure.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them. The PGT also has a statutory role to fulfill with respect to other clients. In other instances, PGT clients have chosen to seek service from the PGT.

PGT activities have a cumulative and contributory impact on improving the quality of life for clients, according to the specific client group and nature of the activity. Children and youth benefit when the PGT acts to maximize their funds held in trust while still allowing appropriate disbursements. Child and youth guardianship clients benefit when the PGT initiates legal actions on their behalf when they have suffered harm or injury. Intestate successors and beneficiaries of estates of deceased persons that are administered by the PGT benefit when they receive their share of the estate upon distribution.

Adult clients benefit when the PGT makes substitute decisions for clients who cannot manage their affairs independently and encourages client participation in decisions to the extent possible. Adult clients benefit from substitute health care decisions when the PGT arranges for legal consent to treatment on behalf of a client.

In addition to its direct impact on clients, the PGT contributes to the ability of the social services, health, legal and court systems to meet their objectives by providing timely substitute decision making, facilitating care, providing experienced objective legal reviews and taking protective measures on behalf of clients.

RISK MANAGEMENT

The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains an extensive internal control environment to respond to the legal, financial and other associated risks. Under its Enterprise Risk Management Framework (ERM), the PGT regularly reviews and updates risks, potential impacts and mitigation strategies to help ensure they remain current and appropriate.

Strategies are implemented to manage and mitigate the potential for risks to impact the organization. These include planning and implementing internal controls and other risk management activities determined to be appropriate based on the assessed level of risk, due consideration to resource constraints and risk tolerance levels commensurate with the PGT duty as a fiduciary.

The PGT Executive Committee reviewed and updated the PGT risk management framework in December 2013.

ROLE OF THE PGT MANDATE, VISION AND VALUES

The risk profile has reduced slightly over the past year, reflecting the continued PGT ability to meet its mandate despite its inability to secure funding for critical projects.

PGT risk factors fall into the following three broad categories:

- Legislative framework reflecting the impact of changes in government policy, legislation and regulation which will significantly impact service delivery requirements, availability of resources and the PGT revenue and cost model.
- Demand side factors reflecting the impact of increasing demands and complexity without additional funding such as legislative reform and changes in client expectations, awareness and demographics that will significantly impact the demand for services from the PGT.
- Supply side factors reflecting the impact of significant resource limitations to meet current strategic and operational objectives such as the impacts of legislative reform and increasing demand for services from the PGT.

The following summarizes the most significant specific risks facing the PGT as identified and assessed through the ERM process and outlines some of the major mitigation strategies. This is a summary of specific key risks and does not describe all potential risks facing the PGT nor all of the related controls and mitigation strategies.

Trust Accounting System

An adequate, reliable information technology infrastructure and systems are essential to meet PGT business needs. This is currently at significant risk due to an obsolete financial system that does not meet modern standards and for which qualified technical staff is no longer routinely available.

The PGT strives to mitigate this risk by continuing to implement and test the ongoing effectiveness of information technology general controls and to actively pursue funding for a modern trust accounting system.

Funding Sufficiency

Adequate funding is required to perform PGT legislated duties. As a largely self funded organization, the PGT may be at risk if new duties are imposed without corresponding funding or if market fluctuations negatively impact commission based revenue.

The PGT strives to mitigate this risk by continuing with existing mitigation activities, including commenting on proposed legislation and policy matters.

Government/Political Legislative and Policy Change

Legislated and externally imposed policy changes that impact PGT workload or demand for PGT services may significantly impact the PGT. This includes changes impacting other organizations that secondarily impact the PGT.

The PGT strives to mitigate this risk by planning in advance for implementation of new legislation.

Sufficiency of Human Resources

The PGT requires specialized skills to perform its duties and would be at risk without adequate numbers of staff and/or staff with appropriate skills and experience. This could occur due to recruitment limitations and/or the departure of experienced staff.

The PGT strives to mitigate this risk by implementing an operational effectiveness review, an ongoing commitment to improve employee engagement and a wide range of other human resources initiatives.

Priority Setting and Capacity Planning

The PGT has extensive duties in several program areas and has limited organizational capacity to plan and/or implement new or changing priorities. This may include the need to implement new legislation and other externally determined initiatives and timelines. The PGT would be at risk if it were unable to respond appropriately.

The PGT strives to mitigate this risk by continuing to improve business planning processes that prioritize and track current and new initiatives.

Records Management

Reliable access to current and past client information is necessary to carry out PGT fiduciary duties and this could be at risk due to data being stored in different formats. Confidential client information could also be at risk of a privacy breach if records are not properly maintained.

The PGT strives to mitigate this risk through coordinating information management and privacy initiatives and continued planning to secure a document management system in future as part of continued development of its information technology infrastructure.

Training

The PGT would be at risk if its employees were not sufficiently trained to adequately perform their duties. This could occur because of the need to implement new legislation or because of inconsistent core training programs.

The PGT strives to mitigate this risk by sharing training materials with members of the National Association of Public Trustees and Guardians and by planning to develop a comprehensive training program that identifies core training requirements.

2013–2014 PERFORMANCE RESULTS

In 2013–2014, the PGT met or exceeded its targets for all 20 (100%) of the performance measures on which it is reporting. Specific performance details related to each measure are provided in the following performance details section. The Performance Measurement Framework appears on pages 48-50.

Source Data

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are COMET (financial), CASE (case management) and FSS (field services). Financial data is derived largely from the audited financial statements and is rounded.

The PGT maintains clear documentation of the process for collecting and reporting on data supporting its performance results to help ensure consistency and reliability in reported results. Unless otherwise stated, results for specific performance measures are comparable with previous years. The PGT applies a broad range of quality assurance processes and reviews its performance on a quarterly basis. In reporting on performance results, the PGT usually rounds to the nearest whole number.

Unless otherwise specified, client counts reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the counts will reflect the number of individual clients served and in others, the counts will reflect the number of specific legal authorities under which clients were served with consideration for the fact that one client may be served under multiple authorities.

For the past several years, the PGT has been enhancing its capacity to draw performance reporting results from its information technology systems. Almost all reports on individual performance measures are now drawn from PGT systems and work continues to make this comprehensive.

In accordance with the *Public Guardian and Trustee Act*, this PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT Operating Account and Estates and Trusts Administered are also subject to an annual independent audit to provide third party assurance.

Comparative Information

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, mix of services and unique legal status, PGT access to generally accepted service standards is limited. Public guardian and public trustee agencies in other provinces and territories each have some responsibilities and services or elements of them in common with the PGT but none have the same authorities.

2013–2014 PGT PERFORMANCE MEASUREMENT FRAMEWORK

For 2013–2014, the PGT is able to make comparisons from its own performance using information reported in its previous annual reports. While some measures have been changed, eliminated or newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.

GOAL #1 Property and financial interests of PGT clients will be well managed

Objectives		Performance Measures	
1.1	Disbursements from children's trusts will be made in a timely manner	1.1.1	Percentage of disbursements from children's trusts that are completed within 15 calendar days of request by the guardian or client
1.2	Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner	1.2.1	Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 60 calendar days of receipt
		1.2.2	Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as committee of estate
		1.2.3	Percentage of adult client trust receipts that are processed within five business days
		1.2.4	Percentage of adult client disbursements processed within 15 business days
1.3	Assets of client estates will be identified, secured and administered in a timely manner	1.3.1	Physical assets of new deceased estates secured within 15 calendar days of notification of death
		1.3.2	Assets listed on the Client Inventory Report will be entered into the trust accounting system within five business days of receipt of the work order
1.4	Estate distributions will be made to heirs and beneficiaries	1.4.1	Percentage of deceased estate funds that are distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society
1.5	Client investments will be handled prudently	1.5.1	Investment returns for all three pooled funds match or exceed established benchmarks
		1.5.2	Percentage of investment plans subject to review that are completed within the year

2013–2014 PGT PERFORMANCE MEASUREMENT FRAMEWORK

GOAL #2 Personal interests of PGT clients will be protected			
Objectives		**Performance Measures**	
2.1	The personal needs of child and youth clients will be protected	2.1.1	For children and youth where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed
2.2	The personal interests and health care needs of adult clients will be addressed	2.2.1	Percentage of committee of person adult clients who are annually visited by PGT staff
		2.2.2	Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

GOAL #3 Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner			
Objectives		**Performance Measures**	
3.1	Settlement reviews of legal claims of children and youth will be carried out in a timely manner	3.1.1	Percentage of proposed minors' settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received
		3.1.2	For minors' settlements under $5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received
3.2	The PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect	3.2.1	Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the *Public Guardian and Trustee Act*

2013–2014 PGT PERFORMANCE MEASUREMENT FRAMEWORK

GOAL #4 The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients			
Objectives		**Performance Measures**	
4.1	The PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients	4.1.1	Make a submission to the Attorney General and Minister of Justice outlining recommendations regarding replacing the common law rule which provides that an owner of a dog who had no way of knowing that the dog had a tendency to bite would not be liable the first time the dog bit someone
4.2	The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public	4.2.1	PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums

GOAL #5 The PGT will deliver high quality client centred services			
Objectives		**Performance Measures**	
5.1	The PGT will meet client expectations for quality, equitable and accessible services	5.1.1	Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good
		5.1.2	Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)

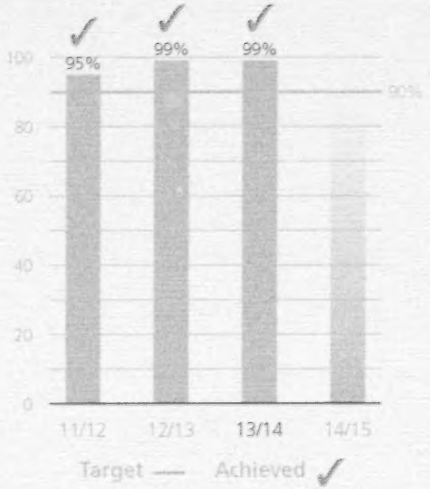
REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Property and financial interests of PGT clients will be well managed.

GOAL 1

Administering trusts for which a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Unlike a bank account, funds held in trust are subject to a number of restrictions designed to protect the child. Guardianship and trust officers consider client requests to spend from the individual's trust fund and must determine whether the request falls within or outside of the trust restrictions while still providing a timely response. This activity benefits children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy fiduciary duties to be prudent and to maximize funds for their future.

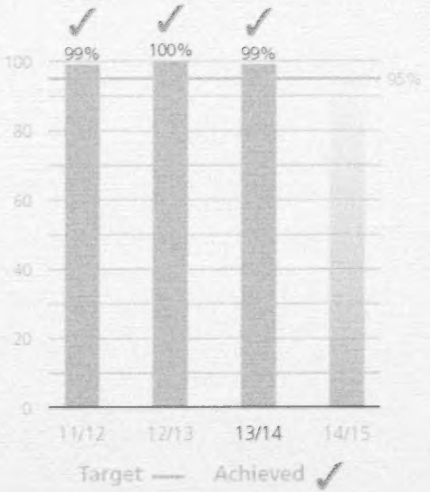
It is reasonable in most cases to expect a request to be decided within 15 calendar days. In 2013–2014, out of 3,058 decisions to issue funds, 3,036 (99%) were completed and a cheque was issued within 15 calendar days of request by the guardian or client.



The PGT is coguardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs) for children in continuing care of the province. Designated officials of MCFD and the DAAs are personal guardians for children in continuing care and the PGT is property guardian. As property guardian, the PGT identifies financial entitlements or legal claims and brings forward appropriate legal action on behalf of the children and youth. This includes legal claims for damages such as personal injury arising from abuse, assault or motor vehicle accidents as well as for statutory benefits such as from the death of a parent.

The PGT receives automated reporting from MCFD and the DAAs of incidents involving children in continuing care and must review these reports to determine whether to commence civil legal proceedings on behalf of the child. This activity satisfies PGT legal obligations as fiduciary and improves the wellbeing of children and youth in continuing care of the province by protecting their legal rights and financial interests.

In 2013–2014, of 523 critical incident reports received directly from MCFD and DAAs, 516 (99%) were reviewed and action was initiated by the PGT within 60 calendar days of receipt of the report.



Objective 1.1
Disbursements from children's trusts will be made in a timely manner

1.1.1 Percentage of disbursements from children's trusts that are completed within 15 calendar days of request by the guardian or client

Objective 1.2
Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner

1.2.1 Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 60 calendar days of receipt

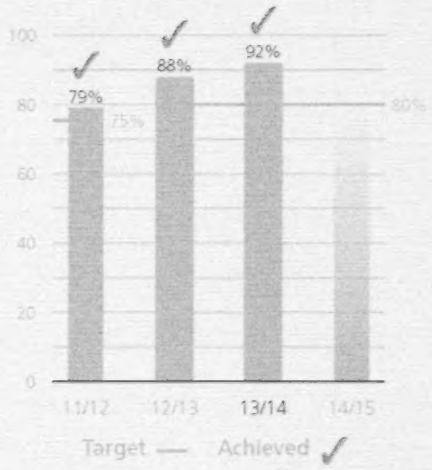
GOAL 1

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Property and financial interests of PGT clients will be well managed.

Objective 1.2
Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner

1.2.2 Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as committee of estate

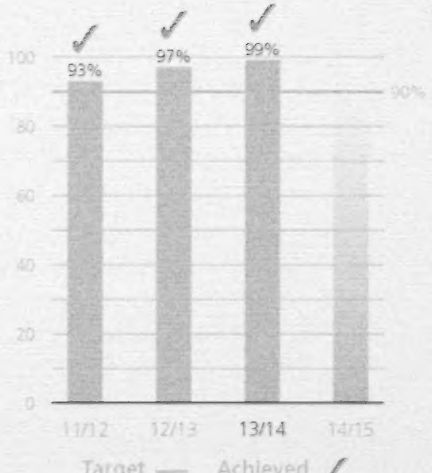


The PGT may become committee of estate (COE) under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new COE client demonstrates that the PGT has taken the steps necessary to identify and secure the client's property and financial interests and provides for their ongoing protection. Time taken to develop and implement the plan will vary according to complexity of the client's property and financial interests.

This activity improves quality of life for incapable adults by making arrangements that respect client wishes to the extent possible and by developing plans to maximize resources available for their care. For most new COE clients, six months is a reasonable expectation in which to complete the plan as normally several months are required to collect all relevant information about the client.

During 2013–2014, 275 new clients required these plans and the PGT developed personalized case plans for 254 (92%) of them within the six month time frame.

1.2.3 Percentage of adult client trust receipts that are processed within five business days



The efficient management of client financial affairs is of paramount importance to the PGT. This includes the timely processing of income and receipts. By promptly depositing income and other funds into an adult client's trust fund, flexibility in managing a client's affairs increases as does the client's potential to earn investment income. This activity improves quality of life for incapable adults by maximizing resources available for their use.

This performance measure tracks trust receipts received by PGT adult clients. In 2013–2014, of the 26,472 receipts of income or capital, 26,091 (99%) were processed within the five day timeline.

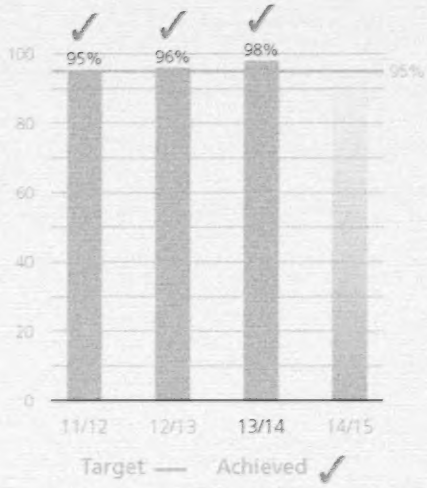
Property and financial interests of PGT clients will be well managed.

Objective 1.2
Legal, financial and property interests and assets of clients will be identified, secured and managed in a timely and prudent manner

1.2.4 Percentage of adult client disbursements processed within 15 business days

Ensuring that amounts owed by PGT clients are paid in a timely manner is an important aspect of managing the affairs of adult clients. This activity improves quality of life for incapable adults by ensuring timely bill payments on their behalf.

In 2013–2014, of 161,743 adult client disbursements, 157,799 (98%) were processed within 15 business days.

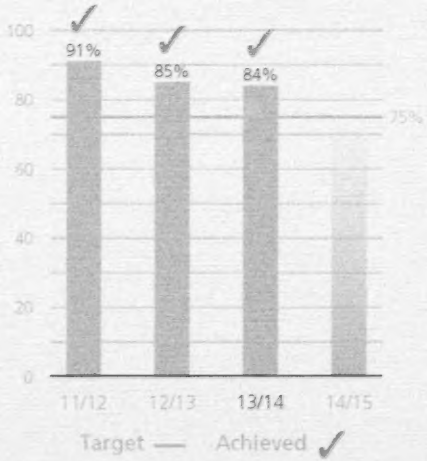


Objective 1.3
Assets of client estates will be identified, secured and administered in a timely manner

1.3.1 Physical assets of new deceased estates secured within 15 calendar days of notification of death

Securing the physical assets of a deceased person's estate is a critical step in reducing risk of damage and preventing loss to the value of estate. The result for creditors and beneficiaries of the estate improves according to the speed with which physical assets are secured. This activity secures assets and maximizes funds available to estates of deceased persons.

In 2013–2014, the PGT was notified of 96 new deceased estates that required this service. Of these, the physical assets for 81 (84%) were secured within 15 calendar days.



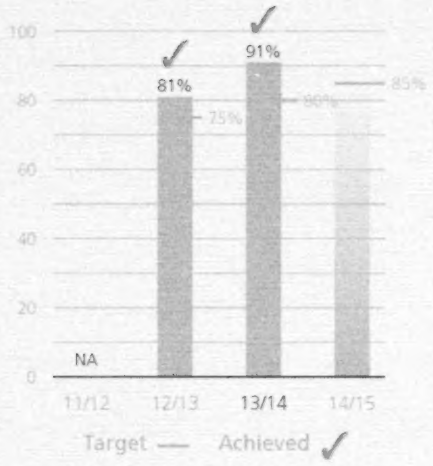
GOAL 1

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Property and financial interests of PGT clients will be well managed.

Objective 1.3
Assets of client estates will be identified, secured and administered in a timely manner

1.3.2 Assets listed on the Client Inventory Report will be input into the trust accounting system within five business days of receipt of the work order

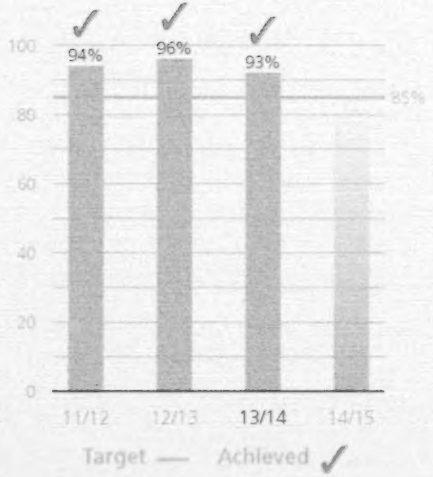


PGT Field Services secures client physical assets, taking custody of them and providing for their security. Timely recording of the assets in the PGT field services system is a key element in securing them.

In 2013–2014, of 749 client inventory reports, 678 (91%) were recorded within five business days. The 80% target is an increase from 75% in the previous year.

Objective 1.4
Estate distributions will be made to heirs and beneficiaries

1.4.1 Percentage of deceased estate funds that are distributed to heirs and beneficiaries rather than transferred to the BC Unclaimed Property Society



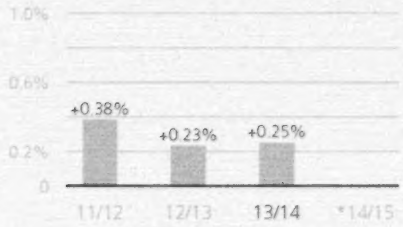
The PGT administers estates for which the executor, heir, beneficiary or other eligible person is not able or willing to do so. Prior to March 31, 2014 with implementation of the new *Wills, Estates and Succession Act*, which abolished the position, this activity was performed as Official Administrator of British Columbia. If the PGT is unable to determine the lawful intestate successors of an estate after conducting a search, the balance of the estate after payment to creditors, administrator fees and expenses, is transferred to the BC Unclaimed Property Society.

This activity helps ensure that succession laws and wishes of persons making wills are respected and that efforts are made to locate and distribute their entitlements to intestate successors and beneficiaries.

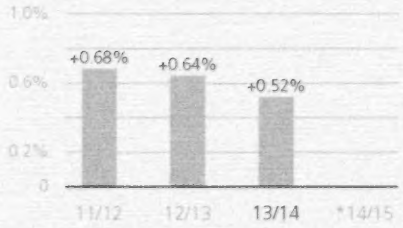
In 2013–2014, PGT Estate and Personal Trust Services distributed $31,823,682.83 of which $29,486,715.31 (93%) was transferred to the heirs and beneficiaries.

Property and financial interests of PGT clients will be well managed.

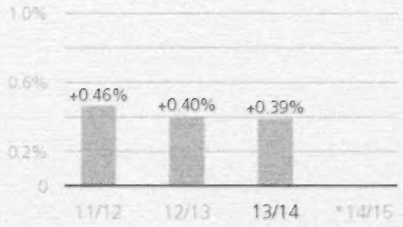
Premium Money Market Fund



Balanced Income Fund



Balanced Growth Fund



*14/15 Target: Match or exceed established benchmarks

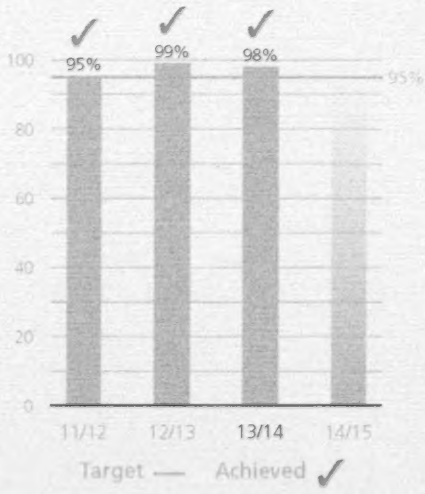
PGT client funds are invested to maximize returns in a manner appropriate to individual client circumstances. This measure is a means of comparing performance by investment managers retained by the PGT against established industry benchmarks. The PGT has three pooled common funds: the Premium Money Market Fund, the Balanced Income Fund, and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund.

Investment returns are calculated using the investment industry standard of four year rolling averages with information on returns provided by third party professional measurement services. RBC Investor Services measures the Balanced Income Fund and the Balanced Growth Fund and the BC Investment Management Corporation measures the Premium Money Market Fund.

This improves quality of life for clients by prudently managing their financial resources with professional investment management to ensure their resources are maximized to meet their needs. In 2013–2014, investment returns for all three pooled funds exceeded the established benchmarks. Details are recorded in the accompanying table.

Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance changes over time. Frequency of reviews is also related to the asset mix in the client investment plan. The PGT reviews client investment plans on a rotating basis according to the assessed level of risk associated with the client investment portfolio.

This activity improves quality of life for clients by helping ensure that financial planning remains current to maximize resources available for their needs. At March 31, 2013, 1,073 client investment plans were scheduled for review during 2013–2014 and 166 clients left PGT authority during the year. Of the remaining 907 clients, 890 (98%) of the scheduled account reviews were completed.



Objective 1.5
Client investments will be handled prudently

1.5.1 Investment returns for all three pooled funds match or exceed established benchmarks

1.5.2 Percentage of investment plans subject to review that are completed within the year

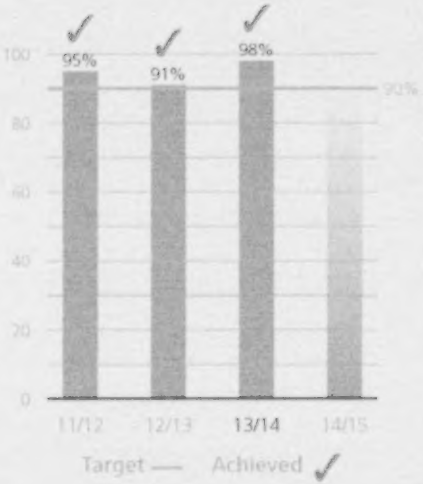
GOAL 2

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Personal interests of PGT clients will be protected.

Objective 2.1
The personal needs of child and youth clients will be protected

2.1.1 For children and youth where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed

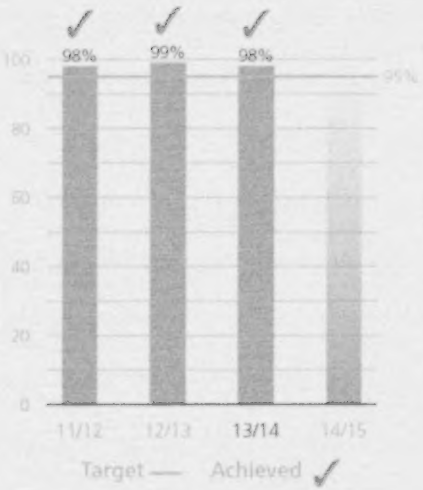


The PGT implements and maintains personalized case plans on behalf of child and youth clients where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child's needs. This activity improves the quality of life for minors by providing timely decisions regarding sustainable management of their resources to meet current and financial needs.

In 2013–2014, personalized case plans were developed and implemented or reviewed within the target timelines for 123 of 125 (98%) minor clients for whom ongoing maintenance has been approved. Prior to 2011–2012 when it was broadened to include all clients at all asset value levels, this measure was limited to clients with assets in excess of $50,000.

Objective 2.2
The personal interests and health care needs of adult clients will be addressed

2.2.1 Percentage of committee of person adult clients who are annually visited by PGT staff



There are a small number of adult clients for whom the PGT acts as a court appointed committee of person and is responsible for their personal care interests. The PGT attempts to visit these clients at least once every year. For the PGT, the visit is an opportunity to review the client's personal situation and assess whether changes are required to help ensure protection of their ongoing personal and health care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as a caregiver or care facility administrator.

This performance measure focuses on clients for whom the PGT has the greatest responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment. In 2013–2014, visits were made to 111 of 113 (98%) adult clients for whom the PGT acts as committee of person.

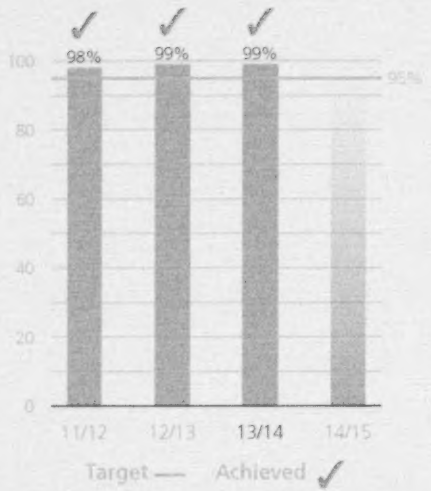
REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Personal interests of PGT clients will be protected.

GOAL 2

The PGT protects the personal interests of adults incapable of giving health care consent by making these decisions on their behalf as temporary substitute decision maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*. The timeliness of PGT substitute health care decisions as TSDM is important to the wellbeing and rights protection of the individual for whom treatment has been proposed by a health care provider.

This performance measure focuses on the most serious decisions which are classified as "major" under the *Act*. Timeliness of decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2013–2014, of 107 major health care decisions, 106 (99%) were made within the three day time frame.



Objective 2.2
The personal interests and health care needs of adult clients will be addressed

2.2.2 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received

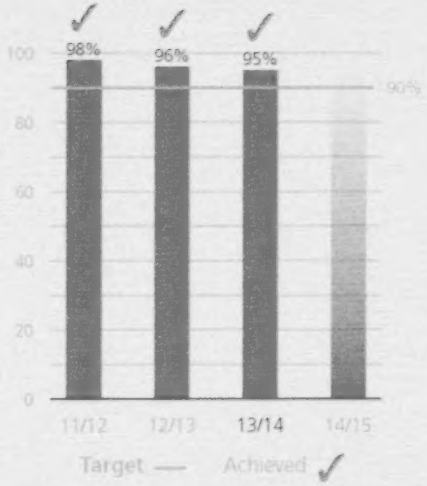
GOAL 3

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

Objective 3.1 Settlement reviews of legal claims of children and youth will be carried out in a timely manner

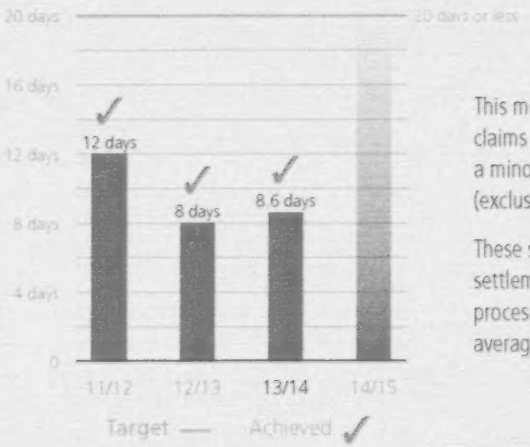
3.1.1 Percentage of proposed minors' settlements $5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received.



Under the *Infants Act* the PGT must review all proposals to settle a variety of claims on behalf of a minor for unliquidated damages such as personal injury arising from motor vehicle accidents, medical malpractice, wrongful death of a parent and other claims. The PGT has jurisdiction to approve infant settlements of $50,000 or less (exclusive of interest and costs) outside the court process and provides written comments to the court for amounts greater than $50,000 or when the PGT has refused to approve a settlement for less than $50,000 and the parties have chosen to proceed to court to seek approval.

This statutory service protects the property rights of minors in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. Within this time frame, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and parent or guardian. In 2013–2014, in 366 of 384 cases (95%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.

3.1.2 For minors' settlements under $5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received



This measure is related to the previous measure (3.1.1) and focuses on proposed settlements of minors' claims for unliquidated damages under $5,000. The PGT must review all proposals to settle a claim by a minor for unliquidated damages and has jurisdiction to approve infant settlements of $50,000 or less (exclusive of interest and costs) outside the court process.

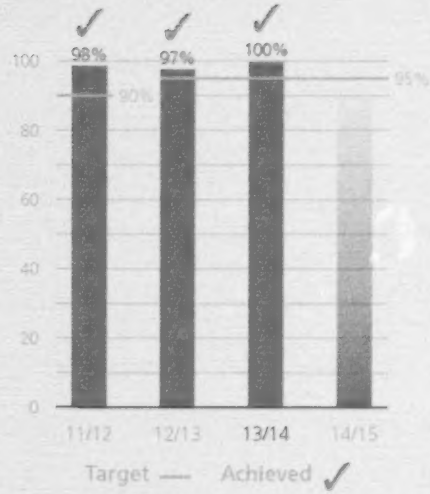
These smaller settlements are reported separately because they are usually less complex than larger settlements and it is possible for them to be reviewed more quickly. This increases efficiency of the review process. In 2013–2014, the PGT reviewed and concluded 125 proposed settlements under $5,000 in an average of 8.6 elapsed days per settlement.

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.

The PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self neglect. One way it does this is to safeguard their assets so that persons seeking to take financial advantage of them will be unable to do so. Under section 19, the PGT orders financial institutions and others to restrict access to the assets of an individual while the PGT investigates the situation.

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults. Over the past two years, the maximum time allotted for these measures to remain in effect has been reduced twice by statute. In 2013–2014, the PGT took protective measures in 106 cases. In 106 (100%) of these, protective measures were taken within one working day. The target for this measure was increased for 2012–2013 to meet the timeline in 95% of cases, up from the previous target of 90%.



Objective 3.2
PGT will act to protect the assets of adults at risk for abuse, neglect and self neglect

3.2.1 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the *Public Guardian and Trustee Act*

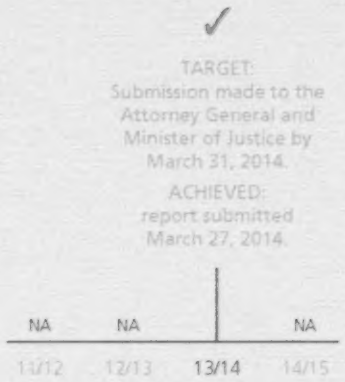
GOAL 4

REPORTS ON INDIVIDUAL PERFORMANCE MEASURES

The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.

Objective 4.1 The PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients

4.1.1 Make a submission to the Attorney General and Minister of Justice outlining recommendations regarding replacing the common law rule which provides that an owner of a dog who had no way of knowing that the dog had a tendency to bite would not be liable the first time the dog bit someone

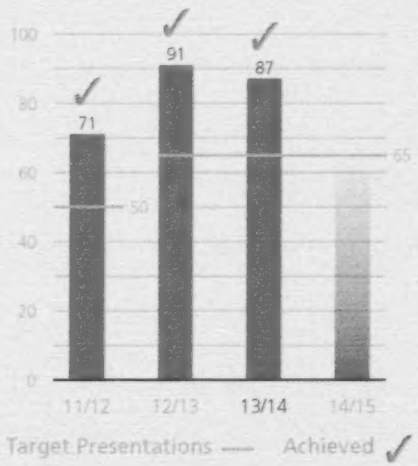


The PGT comments on issues affecting the statutory mandate of the PGT and the interests of PGT clients. In 2013–2014, the PGT made a submission to the Attorney General and Minister of Justice with recommendations regarding replacing the common law rule which provides that an owner of a dog who had no way of knowing that the dog had a tendency to bite would not be liable the first time the dog bit someone.

Submission made to the Attorney General and Minister of Justice by March 31, 2014

Objective 4.2 The PGT will promote an understanding of its role among clients, service partners, stakeholders and the public

4.2.1 PGT role explained by representatives at stakeholder and service partner conferences, events and other public education forums



There is continuing high demand from the public, service partners and stakeholders for the PGT to make presentations about the PGT and its areas of responsibility. Service partners also request presentations that will assist them to understand related roles and responsibilities. The PGT is continuing to be involved in implementing new legislation and the related requirement for public education activities is great. The PGT strives to meet the demand for public education activities which must be balanced against other service requirements.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. Public reports have highlighted the importance of public education activities. In 2013–2014, the PGT made 87 public presentations.

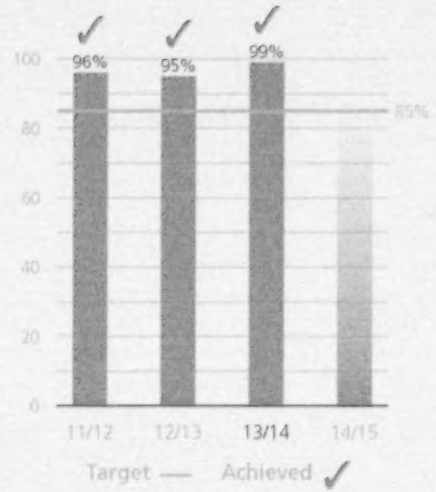
The PGT will deliver high quality client centred services.

Objective 5.1
The PGT will meet client expectations for quality, equitable and accessible services

5.1.1 Percentage of heirs and beneficiaries responding to survey who rated administration services for deceased estates as good or very good

The PGT administers estates of deceased persons. The Estate and Personal Trust Services division conducts a client satisfaction survey with intestate successors and beneficiaries who receive funds when administration of an estate is completed. This activity measures client satisfaction and gives intestate successors and beneficiaries the opportunity to comment on what is important to them regarding services. This activity also improves service delivery by highlighting areas needing improvement.

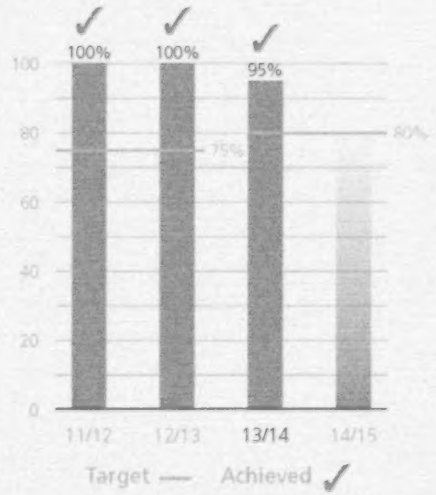
In 2013–2014, there were 363 completed surveys. Of these, 342 of the 345 (99%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.



5.1.2 Percentage of stakeholders reporting satisfaction with PGT legal services (stakeholder group varies annually)

Legal services are a major component of PGT services as the obligation of acting as fiduciary requires acting to protect the legal and financial interests of clients. Under the *Infants Act*, proposals for settlements are presented to the PGT on behalf of minors arising personal injury claims and family compensation act claims.

In 2013–2014, the PGT surveyed all ICBC adjusters who submitted one or more of these settlements of $50,000 or less. In 2013–2014, 22 adjusters responded to the survey and 21 (95%) rated PGT legal services as satisfactory or very satisfactory. The 80% target is an increase from 75% in the previous year.



LINKING RESOURCES, STRATEGIES AND RESULTS

Background

The PGT is responsible by law for delivering a broad range of services to clients and is self funded for a large proportion of its expenditure budget. In developing its annual budget, the PGT provides for meeting its statutory and fiduciary obligations to its clients. The PGT establishes strategic goals and determines performance measures and targets within the budgeted resources and constraints of a given year in the context of its three year plan.

The PGT delivers client services through a combination of activities that are specific to an operational division, integrated, cross divisional or are delivered in conjunction with service partners:

- *Operational divisions* focus on broad client groups such as children and youth, adults and estates of deceased persons. Costs are assigned directly to the divisions.
- Activities of operational divisions are supported by *integrated services* such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across the organization using an allocation model developed to reflect approximate usage.
- Some services, such as quality assurance and risk management, are delivered in a *cross divisional* manner. Costs of cross divisional services are assigned directly through operational division budgets and indirectly through costs assigned through an allocation model.
- Services such as maintaining client real property are *delivered in conjunction with service partners* and are charged directly to clients.

See pages 70-71 for the Allocation of Revenue and Expenses by Program – Budget and Actual (unaudited) for the year ended March 31, 2014.

Delivery of services and allocation of costs are reflected in Table 1: Areas of Expenditures and PGT Strategic Goals (unaudited) on pages 64-65, describing which PGT goals apply to which area of expenditure. The table provides a context to put PGT areas of expenditure into perspective. The distribution also reflects the integrated and cross divisional nature of PGT operations.

Linkages

Client services fall into one of two categories of expenditures:

- *Estate and trust services* are of a fiduciary nature with the greatest impact from the service on the management of individual client assets and is reflected in the total or high level of cost recovery.

- *Public services* are regulatory in nature with the greatest impact from the service on monitoring or oversight and the limited or nil cost recovery reflects the public nature of these services.

Table 1 (unaudited) demonstrates that most PGT goals apply broadly to most areas of expenditure and may involve both a number of programs and expenditures and a number of divisions.

Challenges

The challenge of segmenting expenditures is greatest at the broad goal level. It is a lesser challenge in the case of specific performance measures within each goal as these are more likely to apply to a single area of expenditure. However, the PGT considers that elaboration of budget particulars at the individual measure level is not possible as the work is too interrelated and spread throughout PGT activities.

For example, integrating a new adult client requires more than preparation of a new case plan. Assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed and overdue taxes may have to be made current.

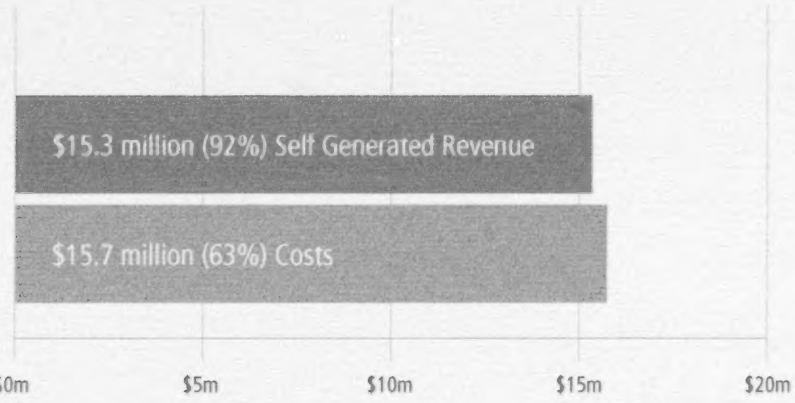
These complex linkages mean that although the areas of expenditure are linked with groups of strategic goals, the relationship between performance and outcomes and changes in costs may not be direct or immediate.

TABLE 1 AREAS OF EXPENDITURE AND PGT STRATEGIC GOALS (UNAUDITED)*

Estate and Trust Services

Goals 1, 2, 4 and 5 most directly affected

*All PGT expenditures are allocated into one of two categories according to the nature of the work, i.e., estate and trust services or public services. Goals may apply in both categories. Individual performance measures within a goal may relate more specifically to one area of expenditure than another.



ESTATE AND TRUST SERVICES

Estate and trust services are the primary PGT responsibility and 2013–2014 accounted for $15.7 million or 63% of total costs and produced $15.3 million or 92% of total self generated revenue.

Estate and trust services include the following:

- Child trust services
- Adult trust services
- Estate and Personal Trust Services

Context

- PGT Estate and Personal Trust Services division largely achieved cost recovery. The rate of recovery was 98% in 2013–2014 (119% in 2012–2013).
- The PGT acts as a prudent investor in managing all client invested funds. These investment activities support Goal 1 by managing client property and financial interests. At March 31, 2014, the average cost per client for salaries and benefits within the PGT investment services section was $26.27 ($27.67 at March 31, 2013).

AREAS OF EXPENDITURE AND PGT STRATEGIC GOALS (UNAUDITED)*

PUBLIC SERVICES

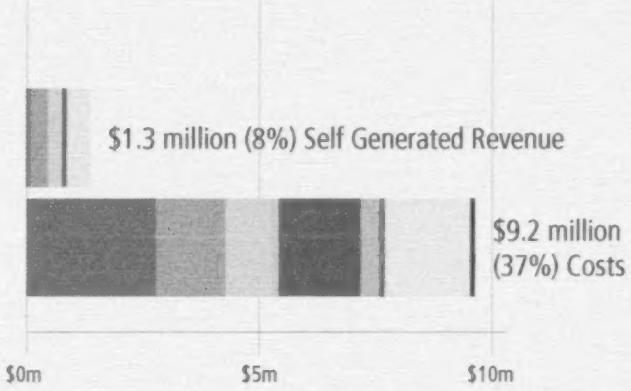
Public services accounted for $9.2 million or 37% of total costs in 2013–2014 and produced $1.3 million or 8% of total self generated revenue.

Public services include the following:

Program Areas	Costs	Self Generated Revenue
Child and Youth Services		
Property guardian	$2.76 million	$0.10 million
Infant settlement reviews	$1.50 million	$0.36 million
Grant application and other statutory reviews	$0.75 million	$0.31 million
Litigation guardian	$0.14 million	$0.00 million
Services to Adults		
Assessment and investigation	$1.77 million	$0.07 million
Temporary substitute decision making	$0.40 million	$0.00 million
Committee of person	$0.03 million	$0.00 million
Private committee services	$1.85 million	$0.50 million
Litigation guardian	$0.02 million	$0.00 million
TOTAL	**$9.22 million**	**$1.34 million**

Context

Under the *Health Care (Consent) and Care Facility (Admission) Act*, PGT staff make substitute health care treatment decisions or appoint other suitable decision makers. This health care decision making activity supports Goal 2 by protecting personal interests of PGT clients. In 2013–2014, average unit cost was $974 ($1,337 in 2012–2013).



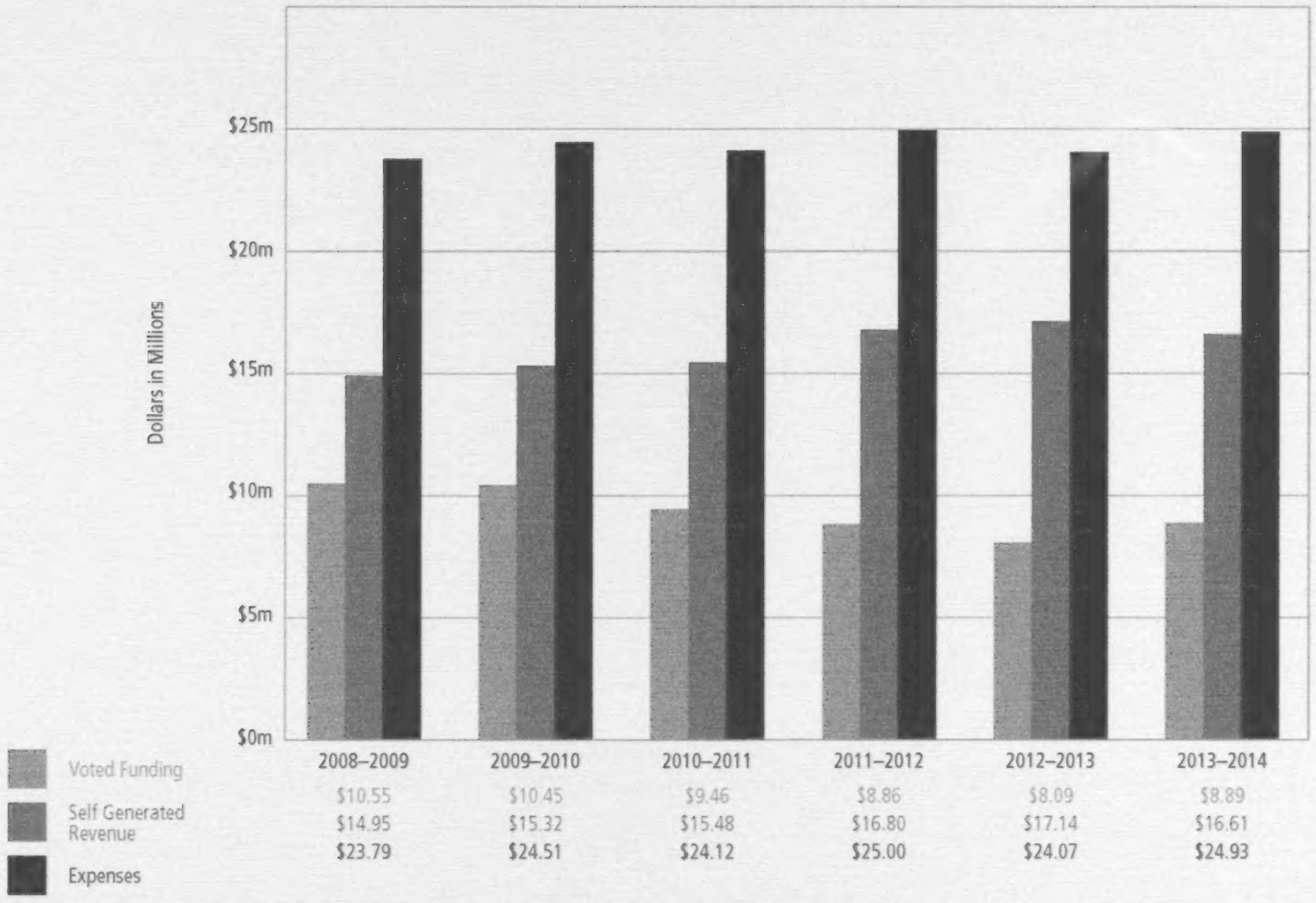
The *Estate Administration Act* (section 112) requires that the PGT be notified before a court application for a grant involving interests of a child or incapable adult. These grant application reviews support Goal 3 by delivering statutory protective services in a timely manner. In 2013–2014, cost per review was $979 ($968 in 2012–2013) and the *Public Guardian and Trustee Fees Regulation* allows a fee of $300 per notice for this review. The *Wills, Estates and Succession Act*, which took effect on March 31, 2014, replaced the *Estate Administration Act* and changes to reporting on this activity will be described next year.

Public Services

Goals 1, 2, 3, 4 and 5 most directly affected

TABLE 2

PGT VOTED FUNDING, REVENUE AND EXPENSES 2008–2009 TO 2013–2014



REVENUE AND PROGRAM COSTS 2013–2014

Introduction

The PGT cost allocation model was developed to show revenue and costs in a meaningful way by linking resources to the costs of providing service.

The model continues to evolve in response to the changing environment in which the PGT operates and as technological improvements allow more refinement in aligning resources and costs. For the year ended March 31, 2014, expenses and cost recoveries were reclassified to conform to the presentation used in the audited financial statements, certain program areas were redefined to better represent the duties and responsibilities of the program areas, and more refined cost allocation methods were utilized to better allocate costs.

Budgeted figures have been provided from the estimates approved by the Legislative Assembly of British Columbia on July 24, 2013.

Actual results are provided from the audited financial statements of the Public Guardian and Trustee Operating Account. The amounts may differ from the Public Accounts due to timing differences resulting from accruals and adjustments below the materiality threshold of the Province of British Columbia.

Revenue Sources and Variances

Revenue is comprised of fees charged in accordance with the *Public Guardian and Trustee Fees Regulation* and funding received from the Province of British Columbia.

REVENUE AND VARIANCES (UNAUDITED)

Revenue Variances (Unaudited) for the Year Ended March 31, 2014 (Expressed in thousands of dollars)

	Budget	Actual	$ Variance*	% Variance*	Note
Self generated funding					
Commissions	$ 10,066	$ 10,988	$ 922	9%	1
Asset management fees	3,245	3,409	164	5%	2
Estate liaison administration fees	522	558	36	7%	
Heir tracing fees	114	137	23	20%	
Fees for investigations, monitoring and legal services	1,153	1,194	41	4%	
Other	-	324	324	100%	3
Total self generated revenue	15,100	16,610	1,510	10%	
Voted funding from the Province of British Columbia	8,893	8,893	-	0%	
Total revenue	**$ 23,993**	**$ 25,503**	**$ 1,510**	**6%**	

**Brackets in variance column indicate budget revenue in excess of actual*

Explanatory Notes on Revenue Variances

1. Higher investment returns and real property sales were realized.
2. Higher investment values under administration were realized.
3. Represents deferred revenue of $110k to recover costs pursuant to the claims protocol agreement related to a class action settlement, and $214k recoveries of prior year expenses.

EXPENSES AND VARIANCES (UNAUDITED)

Expense Variances (Unaudited) for the Year Ended March 31, 2014 (Expressed in thousands of dollars)

	Budget	Actual	$ Variance*	% Variance*	Note
Expenses					
Salaries and benefits	$ 19,275	$ 19,502	$ 227	1%	
Computer systems and support	1,268	1,611	343	27%	1
Other operating and administrative costs	926	1,180	254	27%	2
Professional services	357	934	577	162%	3
Client expenditures	587	662	75	13%	
Building occupancy	308	589	281	91%	4
Amortization	633	380	(253)	(40%)	4
Legal services	639	68	(571)	(89%)	5
Total expenses	**$ 23,993**	**$ 24,926**	**$ 933**		

**Brackets in variance column indicate budget expenses in excess of actual*

Explanatory Notes on Expense Variances

1. Contracted systems support on special projects was needed to prepare for legislative changes and to undertake Lean methodology initiatives.
2. Allowance for doubtful accounts was increased on capital commissions receivable as a result of recent experience in collectability of the fees.
3. Contracted professional support on special projects was needed to prepare for legislative changes and to undertake Lean methodology initiatives.
4. Tenant improvements at the Vancouver and Kelowna offices were completed during the year. The budget for this cost was allocated to amortization expense; however, the actual cost is being paid by the PGT over time by way of increased lease payments reflected in building occupancy expenses as it was not a capital expenditure of the PGT. The variances in building occupancy and amortization expense approximately offset each other.
5. Lower legal costs were incurred for clients, and a greater degree of recovery from clients was realized.

Public Guardian and Trustee of British Columbia
Allocation of Revenue and Expenses by Program Area – Budget (unaudited)
Fiscal year ended March 31, 2014

(Expressed in thousands of dollars)

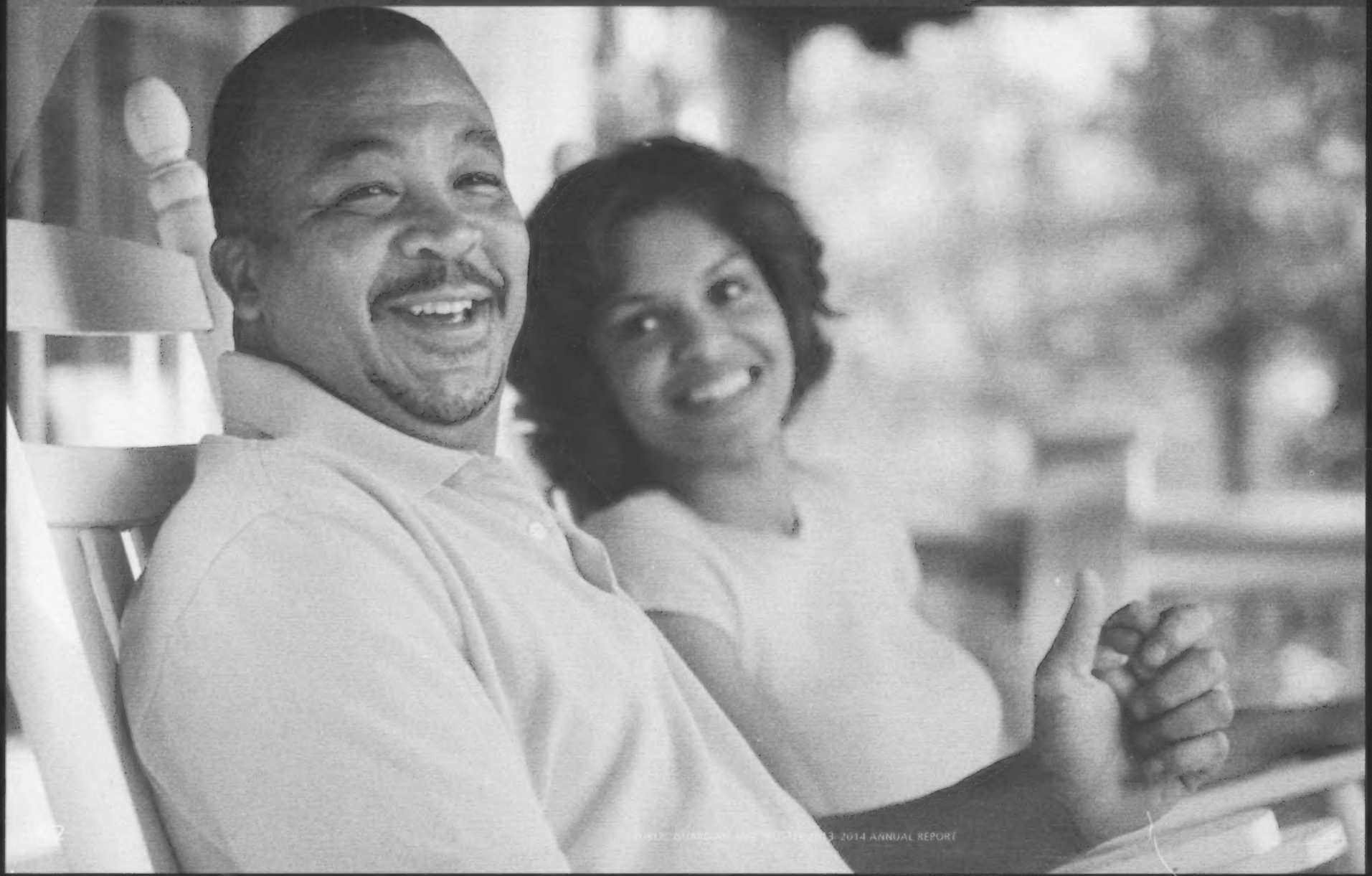
	ESTATE AND TRUST SERVICES				PUBLIC SERVICES			
	Adult Trust Services	Estate and Personal Trust Services	Child Trust Services	**Subtotal**	Adult Services	Child Services	**Subtotal**	**Totals**
Self generated revenue								
Commissions	6,082	3,100	807	**9,989**	-	77	**77**	**10,066**
Asset management fees	1,944	678	598	**3,220**	-	25	**25**	**3,245**
Estate liaison administration fees	522	-	-	**522**	-	-	-	**522**
Heir tracing fees	-	114	-	**114**	-	-	-	**114**
Other	-	-	-	**-**	497	656	**1,153**	**1,153**
Total self generated revenue	**8,548**	**3,892**	**1,405**	**13,845**	**497**	**758**	**1,255**	**15,100**
Expenses								
Salaries and benefits	8,347	3,268	908	**12,523**	2,768	3,984	**6,752**	**19,275**
Computer systems and support	321	144	250	**715**	229	324	**553**	**1,268**
Other operating and administrative costs	449	127	58	**634**	129	163	**292**	**926**
Professional services	137	67	37	**241**	67	49	**116**	**357**
Client expenditures	394	87	7	**488**	71	28	**99**	**587**
Building occupancy	85	38	54	**177**	55	76	**131**	**308**
Amortization	174	77	111	**362**	113	158	**271**	**633**
Legal services	205	(4)	4	**205**	80	354	**434**	**639**
Total expenses	**10,112**	**3,804**	**1,429**	**15,345**	**3,512**	**5,136**	**8,648**	**23,993**
Excess (deficiency) of self generated revenue over expenses	(1,564)	88	(24)	**(1,500)**	(3,015)	(4,378)	**(7,393)**	**(8,893)**
Other revenue								
Voted funding from the Province of British Columbia								**8,893**
Balance								**-**
Cost recovery from self generated revenue	84.5%	102.3%	98.3%	**90.2%**	14.2%	14.8%	**14.5%**	**62.9%**

Public Guardian and Trustee of British Columbia
Allocation of Revenue and Expenditures by Program Area – Actual (unaudited)
Fiscal year ended March 31, 2014

(Expressed in thousands of dollars)

	ESTATE AND TRUST SERVICES				PUBLIC SERVICES			
	Adult Trust Services	Estate and Personal Trust Services	Child Trust Services	**Subtotal**	Adult Services	Child Services	**Subtotal**	**Totals**
Self generated revenue								
Commissions	6,675	3,253	984	**10,912**	-	76	**76**	**10,988**
Asset management fees	2,002	745	637	**3,384**	-	25	**25**	**3,409**
Estate liaison administration fees	558	-	-	**558**	-	-	**-**	**558**
Heir tracing fees	-	137	-	**137**	-	-	**-**	**137**
Other	271	5	-	**276**	572	670	**1,242**	**1,518**
Total self generated revenue	**9,506**	**4,140**	**1,621**	**15,267**	**572**	**771**	**1,343**	**16,610**
Expenses								
Salaries and benefits	8,297	3,409	864	**12,570**	3,054	3,878	**6,932**	**19,502**
Computer systems and support	398	181	324	**903**	293	415	**708**	**1,611**
Other operating and administrative costs	548	145	187	**880**	125	175	**300**	**1,180**
Professional services	158	223	36	**417**	346	171	**517**	**934**
Client expenditures	455	149	7	**611**	22	29	**51**	**662**
Building occupancy	162	72	104	**338**	105	146	**251**	**589**
Amortization	104	46	67	**217**	68	95	**163**	**380**
Legal services	(220)	(9)	3	**(226)**	52	242	**294**	**68**
Total expenses	**9,902**	**4,216**	**1,592**	**15,710**	**4,065**	**5,151**	**9,216**	**24,926**
Excess (deficiency) of self generated revenue over expenses	(396)	(76)	29	**(443)**	(3,493)	(4,380)	**(7,873)**	**(8,316)**
Other revenue								
Voted funding from the Province of British Columbia								**8,893**
Excess of total revenue over expenses								**577**
Cost recovery from self generated revenue	**96.0%**	**98.2%**	**101.8%**	**97.2%**	**14.1%**	**15.0%**	**14.6%**	**66.6%**

AUDITED FINANCIAL STATEMENTS 2012–2013



OPERATING ACCOUNT

Financial Statements of

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Year ended March 31, 2014

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

700 – 808 West Hastings Street, Vancouver, BC V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374
www.trustee.bc.ca

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE OPERATING ACCOUNT FINANCIAL STATEMENTS OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with Canadian public sector accounting standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Catherine M. Romanko
Public Guardian and Trustee

June 27, 2014

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

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Fax (604) 691-3031
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

We have audited the accompanying financial statements of the Operating Account of the Public Guardian and Trustee of British Columbia, which comprise the statement of financial position as at March 31, 2014, the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Guardian and Trustee of British Columbia as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

June 27, 2014
Vancouver, Canada

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2014, with comparative information for 2013

	Note	2014	2013
Financial assets			
Due from the Province of British Columbia	3(a)	$ 26,543	$ 25,848
Accounts receivable		1,121	768
		27,664	26,616
Liabilities			
Accounts payable and accrued liabilities		1,655	1,080
Deferred revenue		362	473
		2,017	1,553
Net financial assets		25,647	25,063
Non-financial assets			
Tangible capital assets	4	1,155	1,162
Accumulated surplus		$ 26,802	$ 26,225
Contingent liabilities	5		

The accompanying notes are an integral part of these financial statements.

Catherine M. Romanko, Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Operations and Accumulated Surplus
(Expressed in thousands of dollars)

Year ended March 31, 2014, with comparative information for 2013

	Note	2014 Budget (note 6)	2014	2013
Revenue:				
Operating revenue		$ 15,100	$ 16,610	$ 17,138
Funding from the Province of British Columbia	3(b)	8,893	8,893	8,089
		23,993	25,503	25,227
Expenses:	3(c)			
Salaries and benefits	7	19,275	19,502	18,839
Computer systems and support		1,268	1,611	1,685
Other operating and administrative costs		926	1,180	1,006
Professional services		357	934	803
Client expenditures		587	662	773
Building occupancy	3(d)	308	589	129
Amortization		633	380	391
Legal services		639	68	440
		23,993	24,926	24,066
Annual surplus		-	577	1,161
Accumulated surplus, beginning of year		26,225	26,225	25,064
Accumulated surplus, end of year		$ 26,225	$ 26,802	$ 26,225

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Changes in Net Financial Assets
(Expressed in thousands of dollars)

Year ended March 31, 2014, with comparative information for 2013

	2014 Budget (note 6)	2014	2013
Annual surplus	$ -	$ 577	$ 1,161
Acquisition of tangible capital assets	(382)	(373)	(502)
Amortization of tangible capital assets	633	380	391
Increase in net financial assets	251	584	1,050
Net financial assets, beginning of the year	25,063	25,063	24,013
Net financial assets, end of the year	$ 25,314	$ 25,647	$ 25,063

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Cash Flows (note 3(a))
(Expressed in thousands of dollars)

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Due from the Province of British Columbia increased by:		
Operating activities:		
Annual surplus	$ 577	$ 1,161
Items not affecting cash:		
Amortization	380	391
Change in accounts receivable	(353)	6
Change in accounts payable and accrued liabilities	575	(9)
Change in deferred revenue	(111)	(91)
	1,068	1,458
Capital activities:		
Acquisition of tangible capital assets	(373)	(502)
Increase in due from the Province of British Columbia	695	956
Due from the Province of British Columbia, beginning of year	25,848	24,892
Due from the Province of British Columbia, end of year	$ 26,543	$ 25,848

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2014

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1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the "PGT") Operating Account ("Operating Account") operates under the authority of the Public Guardian and Trustee Act (the "Act"). The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the PGT and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial information has been prepared as of March 31, 2014 for client trust accounts, which include $851 million (2013 - $859 million) of net assets held in trust.

2. Significant accounting policies:

(a) Basis of accounting:

Management has prepared these financial statements in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Computer hardware and software purchases less than ten thousand dollars are amortized over three years. All remaining assets are amortized over five years.

(c) Revenue recognition:

Operating revenue consists of fees paid by clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the Act. Fees are recognized in the period in which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries. Funding from the Province of British Columbia is recognized as revenue when authorized and eligibility criteria, if any, have been met, unless the funding contains stipulations on how it is to be expended by the PGT, in which case the funding is recorded as deferred revenue. Once the stipulations have been met, the funding is subsequently recognized as revenue.

2. Significant accounting policies (continued):

(d) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. All contributions to this plan are expensed as incurred.

(e) Client expenditures:

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant area requiring the use of management estimates is the estimation of the collectability of accounts receivable. Actual results could differ from these estimates.

(g) Segmented information:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. As the Operating Account's sole activity is the managing of services provided to clients of the PGT, additional disclosure is not required.

3. Related party transactions:

The PGT is a corporation sole. All transactions with related parties, including the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at the exchange amount, which reflects fair value unless otherwise disclosed in these notes.

(a) The PGT uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the net financial transactions of the Operating Account.

(b) A transfer of $8,893 (2013 - $8,089) from a sub-vote of the Ministry of Justice and Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.

(c) Certain financial and administrative services, post-employment benefits, and office and warehouse facilities are provided centrally by various ministries and agencies of the government of the Province of British Columbia. The costs of these services are not charged to the Operating Account and are, therefore, not included in these financial statements.

(d) Additional office and warehouse facilities are provided by various ministries and agencies of the government of the Province of British Columbia. Total lease payments charged to the Operating Account were $543 (2013 - $129).

4. Tangible capital assets:

	2014								
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	$ 74	$ 2	$ (57)	$ 19	$ (67)	$ 57	$ (3)	$ (13)	$ 7	$ 6
Furniture and equipment	380	80	(8)	452	(229)	8	(64)	(285)	151	167
Personal computer software	154	2	(56)	100	(103)	56	(22)	(69)	51	31
Computer hardware - less than $10,000	683	3	(267)	419	(573)	267	(51)	(357)	110	62
Server computer software	2,496	286	-	2,782	(1,706)	-	(201)	(1,907)	790	875
Computer hardware - greater than $10,000	137	-	(75)	62	(113)	75	(10)	(48)	24	14
Tenant improvement	704	-	-	704	(675)	-	(29)	(704)	29	-
Total	$ 4,628	$ 373	$ (463)	$ 4,538	$ (3,466)	$ 463	$ (380)	$ (3,383)	$ 1,162	$ 1,155

	2013								
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	$ 74	$ -	$ -	$ 74	$ (53)	-	(14)	$ (67)	$ 21	$ 7
Furniture and equipment	376	17	(13)	380	(181)	13	(61)	(229)	195	151
Personal computer software	131	51	(28)	154	(100)	28	(31)	(103)	31	51
Computer hardware - less than $10,000	604	85	(6)	683	(528)	6	(51)	(573)	76	110
Server computer software	2,740	349	(593)	2,496	(2,105)	593	(194)	(1,706)	635	790
Computer hardware - greater than $10,000	152	-	(15)	137	(118)	15	(10)	(113)	34	24
Tenant improvement	704	-	-	704	(645)	-	(30)	(675)	59	29
Total	$ 4,781	$ 502	$ (655)	$ 4,628	$ (3,730)	$ 655	$ (391)	$ (3,466)	$ 1,051	$ 1,162

Cost includes fully amortized assets that are still in use of $2,520 (2013 - $2,398).

5. Contingent liabilities:

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out its duties. Under Section 21 of the Act, monies required to discharge any liability or claim against the PGT must be paid out of the consolidated revenue fund of the Province of British Columbia.

6. Budgeted figures:

Budgeted figures have been provided for comparative purposes from the estimates approved by the Legislative Assembly of British Columbia on July 24, 2013.

7. Employee benefit plans:

The PGT and all eligible employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payments of pension benefits to eligible employees. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits.

The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the plan members and will be reflected in their future contributions. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The last actuarial valuation was as at March 31, 2011, and showed that the plan was at 98% funded. The next valuation date is scheduled for March 31, 2015.

During the year ended March 31, 2014, the PGT contributed $1,402 (2013 - $1,369) to the plan. These contributions are included in salaries and benefits expense. No pension liability for this plan is included in the financial statements.

8. Fair value:

The fair value of the Operating Account's financial instruments, which include due from the Province of British Columbia, accounts receivable, and accounts payable and accrued liabilities are not materially different from their carrying value due to their short-term nature.

ESTATES AND TRUSTS ADMINISTERED

Financial Information of

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Estates and Trusts Administered

Year ended March 31, 2014

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA
700 – 808 West Hastings Street, Vancouver, BC V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374
www.trustee.bc.ca

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL INFORMATION OF ESTATES AND TRUSTS ADMINISTERED BY THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial information and is responsible for its integrity and objectivity. The financial information is prepared in conformity with International Financial Reporting Standards and includes amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial information and their report follows.

Catherine M. Romanko
Public Guardian and Trustee

June 27, 2014

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Canada

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INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

We have audited the accompanying financial information of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia, which comprise the statement of net assets as at March 31, 2014 and the statements of income and expenses, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to an entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial information presents fairly, in all material respects, the net assets of the Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia as at March 31, 2014 and their income and expenses, changes in net assets and cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants

June 27, 2014
Vancouver, Canada

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Net Assets of Estates and Trusts Administered
(Expressed in thousands of dollars)

March 31, 2014, with comparative information for 2013

	Note	2014	2013
Assets			
Premium Money Market Fund	5	$ 465,585	$ 486,450
Balanced Income Fund	6	31,145	28,014
Balanced Growth Fund	7	90,528	76,546
Other investments and securities	8	116,820	109,636
Other financial assets	9	12,441	10,861
Real property	10	162,942	173,533
Other assets		7,660	7,597
		887,121	892,637
Liabilities			
Accounts payable		6,533	6,230
Mortgages and loans payable		28,975	27,109
Payable to the Public Guardian and Trustee Operating Account	11(b)	937	634
		36,445	33,973
Net Assets of Estates and Trusts Administered		$ 850,676	$ 858,664

The accompanying notes are an integral part of this financial information.

Catherine M. Romanko, Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Income and Expenses of Estates and Trusts Administered
(Expressed in thousands of dollars)

Year ended March 31, 2014, with comparative information for 2013

	Note	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Real property	2014 Total	2013 Total
Income:								
Pensions, benefits and settlements		$ 75,369	$ -	$ -	$ -	$ -	$ 75,369	$ 82,310
Interest and dividends		7,808	909	2,498	2,191	-	13,406	14,422
		83,177	909	2,498	2,191	-	88,775	96,732
Expenses:								
Client care and maintenance	11(a)	60,251	-	-	-	-	60,251	61,220
Commissions and fees paid to the Public Guardian and Trustee Operating Account	11(b)	14,916	290	943	-	-	16,149	17,744
Professional services	11(c)	7,461	56	147	254	-	7,918	8,027
Income taxes paid from Estates and Trusts Administered		2,852	-	-	18	-	2,870	3,603
		85,480	346	1,090	272	-	87,188	90,594
Net income (loss) before realized and unrealized gains/losses		(2,303)	563	1,408	1,919	-	1,587	6,138
Realized and unrealized gains/losses:								
Net realized gains on assets sold or released		-	742	2,311	4,901	2,688	10,642	(788)
Change in unrealized gains/losses		(600)	1,483	7,463	3,413	(9,997)	1,762	3,278
		(600)	2,225	9,774	8,314	(7,309)	12,404	2,490
Net income (loss), representing total comprehensive income		$ (2,903)	$ 2,788	$ 11,182	$ 10,233	$ (7,309)	$ 13,991	$ 8,628

The accompanying notes are an integral part of this financial information.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Changes in Net Assets of Estates and Trusts Administered
(Expressed in thousands of dollars)

	Note	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Other financial assets	Real property	Other assets less liabilities	Total
Balance at March 31, 2012		$ 493,689	$ 28,638	$ 72,124	$ 115,012	$ 10,945	$ 185,792	$ (27,919)	$ 878,281
Net income, representing comprehensive income for the year		700	1,602	5,479	1,918	-	(1,071)	-	8,628
Other changes in net assets of Estates and Trusts Administered:									
Assets acquired		-	-	-	32,700	40,327	49,639	-	122,666
Assets purchased from Estates and Trusts Administered		(844)	-	-	-	-	403	-	(441)
Assets sold or collected		-	-	-	(22,792)	(38,928)	(37,644)	-	(99,364)
Net proceeds from sale or collection of assets		97,116	-	-	-	-	-	-	97,116
Transfers between assets		9,706	(2,226)	(1,057)	(6,423)	-	-	-	-
Assets released to clients, beneficiaries and heirs		-	-	-	(10,779)	(1,483)	(23,586)	-	(35,848)
Cash distributions to clients, beneficiaries and heirs		(112,120)	-	-	-	-	-	-	(112,120)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	12	(1,797)	-	-	-	-	-	-	(1,797)
Movement in other assets less liabilities		-	-	-	-	-	-	1,543	1,543
Total changes in net assets of Estates and Trusts Administered		(7,239)	(624)	4,422	(5,376)	(84)	(12,259)	1,543	(19,617)
Balance at March 31, 2013		$ 486,450	$ 28,014	$ 76,546	$ 109,636	$ 10,861	$ 173,533	$ (26,376)	$ 858,664
Net income (loss), representing comprehensive income for the year		(2,903)	2,788	11,182	10,233	-	(7,309)	-	13,991
Other changes in net assets of Estates and Trusts Administered:									
Assets acquired		-	-	-	28,519	37,795	52,652	-	118,966
Assets purchased from Estates and Trusts Administered		(746)	-	-	-	-	10	-	(736)
Assets sold or collected		-	-	-	(17,743)	(32,680)	(34,065)	-	(84,488)
Net proceeds from sale or collection of assets		80,154	-	-	-	-	-	-	80,154
Transfers between assets		206	343	2,800	(3,349)	-	-	-	-
Assets released to clients, beneficiaries and heirs		-	-	-	(10,476)	(3,535)	(21,879)	-	(35,890)
Cash distributions to clients, beneficiaries and heirs		(94,872)	-	-	-	-	-	-	(94,872)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	12	(2,704)	-	-	-	-	-	-	(2,704)
Movement in other assets less liabilities		-	-	-	-	-	-	(2,409)	(2,409)
Total changes in net assets of Estates and Trusts Administered		(20,865)	3,131	13,982	7,183	1,580	(10,591)	(2,409)	(7,988)
Balance at March 31, 2014		$ 465,585	$ 31,145	$ 90,528	$ 116,820	$ 12,441	$ 162,942	$ (28,785)	$ 850,676

The accompanying notes are an integral part of this financial information.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Cash Flows of Estates and Trusts Administered
(Expressed in thousands of dollars)

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Income:		
Pensions, benefits and settlements	$ 75,369	$ 82,310
Interest and dividends	8,208	9,565
Expenses:		
Client care and maintenance	(60,251)	(61,220)
Commissions and fees paid to the Public Guardian and Trustee Operating Account	(14,916)	(16,879)
Professional services	(7,461)	(7,541)
Income taxes paid from Estates and Trusts	-	-
Administered	(2,852)	(3,599)
	(1,903)	2,636
Investing activities:		
Contributions to Balanced Income Fund	(5,127)	(2,845)
Withdrawals from Balanced Income Fund	4,784	5,071
Contributions to Balanced Growth Fund	(10,480)	(9,962)
Withdrawals from Balanced Growth Fund	7,678	11,019
Contributions to other investments and securities	(5,195)	(1,586)
Withdrawals from other investments and securities	8,145	6,983
Purchases of real property	(10)	(403)
Purchases of other assets	(735)	(441)
Net proceeds from sale of assets	47,474	58,188
	46,534	66,024
Financing activities:		
Proceeds from collection of assets	32,680	38,928
Distributions to clients, beneficiaries and heirs	(94,872)	(112,119)
Transfers of unclaimed assets	(2,704)	(1,797)
	(64,896)	(74,988)
Increase (decrease) in cash and cash equivalents	(20,265)	(6,328)
Increase (decrease) in unrealized gain on Premium Money Market Fund	(600)	(911)
Premium Money Market Fund, representing cash and cash equivalents, beginning of year	486,450	493,689
Premium Money Market Fund, representing cash and cash equivalents, end of year	$ 465,585	$ 486,450

The accompanying notes are an integral part of these financial statements.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Information of Estates and Trusts Administered
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2014

---

1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the "PGT") operates under the *Public Guardian and Trustee Act* (the "Act") and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

This set of financial information reflects the net assets held in trust and activity for the estates and trusts administered by the PGT. Separate financial statements have been prepared for the PGT Operating Account, which report the revenues, expenses and capital expenditures of the PGT.

2. Basis of preparation:

(a) Statement of compliance:

This financial information has been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS").

This financial information meets the requirements of Section 25 of the Act.

(b) Basis of measurement:

The financial information has been prepared on the historical cost basis except for the Premium Money Market Fund, Balanced Income Fund, Balanced Growth Fund, other investments and securities and real property, which are carried at fair value.

(c) Functional and presentational currency:

The financial information is presented in Canadian dollars, which is the functional currency for the PGT.

(d) Use of estimates and judgments:

The preparation of this financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Significant areas of estimation include the valuation of investments and real property. Actual values ultimately realized may differ from these estimates and are recognized in the period in which the estimates are revised and in any future periods affected.

3. Summary of significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in this financial information.

(a) Recognition and valuation of assets and liabilities:

On initial recognition, assets and liabilities are recorded at fair value on the effective date the PGT commences administration of the asset or liability, which is the date of death for estate administration, the date of PGT appointment for trust administration or the date that the estate or trust assumed beneficial ownership for assets and liabilities acquired after PGT appointment.

The Premium Money Market Fund ("PMMF"), Balanced Income Fund ("BIF"), Balanced Growth Fund ("BGF") and other investments and securities are carried at fair value as determined from valuation data provided by investment service providers.

IFRS 13 '*Fair Value Measurement*' was adopted by the PGT effective April 1, 2013. IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The standard establishes a framework for measuring fair value including a revised definition of fair value (further details can be found in note 13 "Fair values") and sets out disclosure requirements for fair value measurements. PGT concluded that there were no significant changes in fair value measurement of financial instruments required upon adoption of this new standard.

Amounts receivable included in other financial assets are carried at amortized cost.

Other assets include jewellery, collectibles, intangibles, vehicles and effects and are carried at cost, which represents the estimated fair value of the asset on the effective date that the PGT commenced administration of the asset.

All financial liabilities are carried at amortized cost.

(b) Valuation of real property:

IFRS requires that, in the absence of an IFRS that can be specifically applied to a situation, management should use judgment in developing and applying an accounting policy to provide relevant, reliable and prudent information. In these instances, it is suggested that IFRS requirements in dealing with similar issues are applied, as well as measurement concepts included within the IFRS Framework.

Real property included within the statement of net assets primarily represents the value of residential properties, currently occupied by the clients of the PGT. This property does not meet the definition of property, plant and equipment, nor investment property, although the acceptable measurement bases for such assets include both cost and fair value.

Accordingly, real property is carried at fair value in the statement of net assets as determined by professional appraisals or, where an appraisal is not available or is not current, as determined from the most recent British Columbia Assessment Authority property assessment or other relevant valuation data.

3. Summary of significant accounting policies (continued):

(c) Revenue recognition:

Income from pensions, benefits and settlements, as well as interest and dividends is recognized on an accrual basis.

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment of the client (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released to clients, beneficiaries and heirs. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of income and expenses.

(d) Cash and cash equivalents:

The PMMF is used for day-to-day receipts and disbursements for all clients. Investments held by the PMMF are highly liquid and may be easily drawn upon by the PGT in administering the estates and trusts. Cash held in individual external client bank accounts, included in other financial assets (note 9), is not classified as cash and cash equivalents.

4. Financial risk management:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under its authority. The PGT must exercise the care, skill, diligence and judgment of a prudent investor for its clients.

Under Section 12 of the Act, the PGT is permitted to create common funds within the trust fund account. The PGT has established three common funds called the PMMF, the BIF and the BGF. The PMMF holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The BIF and the BGF hold investments which are appropriate for clients with longer term investment horizons.

4. Financial risk management (continued):

Under Section 13(1) of the Act, the PGT is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by British Columbia Investment Management Corporation ("bcIMC"). Other investments are managed by private investment management firms.

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and investment strategy of the three common funds and annual monitoring for other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on the PGT's assessment of appropriate investment strategy for the client. Four investment portfolio asset mix models are used and client investment portfolios are allocated amongst the three common funds as follows:

Asset Mix	Fixed Income	Equity	Investment portfolio allocation
Model A	40%	60%	Balanced Growth Fund
Model B	60%	40%	Balanced Income Fund
Model C	80%	20%	Blend of Balanced Income Fund and Premium Money Market Fund
Model D	100%	0%	Premium Money Market Fund

Assets in "other investments and securities" represent individual client accounts and each is managed in accordance with the above target asset mix policies.

PGT client investments are exposed to a variety of financial risks: credit risk, liquidity risk, and market risk (comprised of interest rate risk, currency risk and other price risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

4. Financial risk management (continued):

Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The investment policy established by the PGT limits credit risk by limiting the maximum exposure to one single issuer and by investing only in debt securities from governments and corporations with a minimum rating of at least "BBB" or "R-1" as defined by Moody's, Standard & Poor's or Dominion Bond Rating Service. The funds' compliance with policy asset mix and investment guidelines is reviewed quarterly by management and the PGT Investment Advisory Committee.

Liquidity risk:

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses and considers liquidity risk at March 31, 2014 and March 31, 2013 to be insignificant.

Interest rate risk:

Interest rate risk is the risk that the fair value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. Interest rate risk is managed by PGT through established asset mix policies.

Currency risk:

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. Currency risk is managed by PGT through established asset mix policies.

Other price risk:

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk is managed by PGT through established asset mix policies.

5. Premium Money Market Fund:

The strategic investment policy for the PMMF requires that the bond securities held must be "A low" rated or better and all short term money market instruments held must be "R-1" rated or better. The target asset mix for the PMMF is 35% Canadian government guaranteed bonds with a maximum term to maturity of 5 years and 65% government and corporate money market securities with a maximum term of 15 months.

5. Premium Money Market Fund (continued):

Credit risk:

The amount recorded for the PMMF on the statement of net assets held in trust represents the maximum credit risk associated with the PMMF. The PMMF is comprised of cash and debt instruments with credit ratings as follows:

	2014		2013	
	Amount	%	Amount	%
Segregated bonds:				
AAA	$ 32,726	7%	$ 45,490	9%
AA	82,925	17	84,253	17
A	44,791	10	41,270	9
	160,442	34	171,013	35
Money market:				
R-1 or better	307,797	66	315,704	65
Cash (overdraft)	(2,654)	-	(267)	-
	$ 465,585	100%	$ 486,450	100%

Interest rate risk:

Debt instruments held within the PMMF mature on the following basis:

	2014	2013
Cash (overdraft)	$ (2,654)	$ (267)
Debt instruments:		
Less than one year	362,676	339,751
One to three years	54,284	101,249
Three years to five years	51,279	45,717
	$ 465,585	$ 486,450

As at March 31, 2014, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets, would have increased or decreased, respectively, by approximately $5.0 million (2013 - $6.3 million).

Currency risk:

As at March 31, 2014, the PMMF is not exposed to currency risk as all PMMF securities are denominated in Canadian dollars (2013 - nil).

Other price risk:

As at March 31, 2014, the PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments (2013 - nil).

6. Balanced Income Fund:

The BIF is a unitized fund of funds pool of investments. The investment objective is to enhance returns for investors with a low to moderate level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 60% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities, and 40% domestic and international equities, invested through indexed pooled funds.

Credit risk and interest rate risk:

The BIF's maximum exposure to credit risk as at March 31, 2014 is $18.7 million (2013 - $17.0 million), representing the amount of debt instruments within the BIF at March 31, 2014. The BIF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration that is within 20% of the DEX Universe Bond Index.

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2014 if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets, would have increased or decreased, respectively, by approximately $0.1 million (2013 - $1.0 million).

Currency risk:

The BIF's maximum exposure to currency risk at March 31, 2014 is $9.1 million (2013 - $7.9 million), representing the amount of international equity investments within the BIF at March 31, 2014, of which $5.2 million (2013 - $4.5 million), is exposed to US dollars and $3.9 million (2013 - $3.4 million) is exposed to other international currencies.

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately $0.2 million (2013 - $0.2 million).

Other price risk:

The BIF's maximum exposure to other price risk as at March 31, 2014 is $13.1 million (2013 - $11.3 million), representing the amount of equity instruments within the BIF at March 31, 2014. As the BIF uses an indexed pooled and portfolio strategy, the BIF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BIF due to a 10% change in benchmark, using historical correlation between the return of the BIF units as compared to the BIF's benchmark, as at March 31, 2014, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets, of $1.3 million (2013 - $1.1 million).

7. Balanced Growth Fund:

The BGF is a unitized fund of funds pool of investments. The investment objective is to enhance long-term returns for investors with a moderate to high level of risk by investing in a well-diversified portfolio. The investment policy target asset mix is 40% fixed income securities, rated "BBB" or better for bonds or "R-1" or better for money market securities and 60% domestic and international equities, invested through indexed pooled funds.

Credit risk and interest rate risk:

The BGF's maximum exposure to credit risk as at March 31, 2014 is $34.5 million (2013 - $30.7 million), representing the amount of debt instruments within the BGF at March 31, 2014. The BGF's investment policy guidelines require that debt instruments are rated BBB or R-1 or better and have a duration that is within 20% of the DEX Universe Bond Index.

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2014, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have increased or decreased by approximately $2.1 million (2013 - $1.9 million).

Currency risk:

The BGF's maximum exposure to currency risk at March 31, 2014 is $37.8 million, (2013 - $30.8 million), representing the amount of international equity investments within the BGF at March 31, 2014, of which $21.6 million (2013 - $17.4 million) is exposed to US dollars and $16.3 million (2013 - $13.4 million) is exposed to other international currencies.

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have decreased or increased, respectively, by approximately $0.8 million (2013 - $0.6 million).

Other price risk:

The BGF's maximum exposure to other price risk as at March 31, 2014 is $56.9 million (2013 - $46.3 million), representing the amount of equity instruments within the BGF at March 31, 2014. As the BGF uses an indexed pooled fund portfolio strategy, the BGF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BGF due to a 10% change in benchmark, using historical correlation between the return of the BGF units as compared to the BGF's benchmark, as at March 31, 2014, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets, of $5.7 million (2013 - $4.6 million).

8. Other investments and securities:

Other investments and securities are comprised of the following:

	2014	2013
Investment portfolios	$ 68,566	$ 61,417
Registered plans	29,289	26,931
Other	18,965	21,288
	$ 116,820	$ 109,636

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, currency and other price risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 13) would not provide additional meaningful information.

9. Other financial assets:

Other financial assets are comprised of the following:

	2014	2013
Cash in external client bank accounts	$ 6,053	$ 3,896
Amounts receivable	6,388	6,965
	$ 12,441	$ 10,861

External client bank accounts are bank accounts in the name of individual clients that were held at the time that the PGT commenced administration of the assets and that remain open as at the financial reporting date. The collection of cash from these external client bank accounts to the PMMF is classified as proceeds from collection of assets on the statement of cash flows.

10. Real property:

Real property includes land, buildings and manufactured homes. As at March 31, 2014, approximately 97% (2013 - 97%) of the fair value of real properties represents properties located in British Columbia.

11. Expenses:

(a) Client care and maintenance:

Client care and maintenance represents goods and services purchased for clients and for personal living expenses, including payments to care facilities.

(b) Commissions and fees paid to the Public Guardian Trustee Operating Account:

Commissions and fees are paid on behalf of clients, for services provided by the PGT in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act. When the PGT manages client funds, most of the applicable commissions and fees are calculated and taken or reserved automatically by the trust accounting system.

Amounts payable to the PGT Operating Account is comprised of the following:

	2014	2013
Total amounts payable to PGT Operating Account	$ 1,002	$ 709
Less: payables reflected in fair value of funds:		
Balanced Income Fund	(21)	(21)
Balanced Growth Fund	(44)	(54)
	$ 937	$ 634

Amounts payable to the PGT Operating Account also include the recovery of various expenses that were advanced by the PGT and later charged back to client trust accounts. Normally on the second business day each month, the prior period's total commissions, fees and recovered expenses are remitted to the PGT Operating Account by means of disbursement transactions from PGT corporate clearing accounts.

11. Expenses (continued):

(c) Professional fees:

Professional fees are payments on behalf of clients for services such as accounting, legal, investment management, custodial, funeral and property management.

12. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:

Unclaimed assets are transferred quarterly to the British Columbia Unclaimed Property Society when they are deemed inactive by the PGT under Section 27.1 of the Act.

13. Fair values:

The PMMF, BIF, BGF and other investments and securities are reflected in the statement of net assets at fair value. In management's opinion, the fair values of other financial assets and accounts payable, mortgages and loans payable, and amounts payable to the PGT Operating Account are not materially different from the carrying value.

Fair Value Hierarchy:

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted prices in active markets for identical assets or liabilities that the PGT has the ability to accrue at the measurement date.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable: there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

13. Fair values (continued):

As at March 31, 2014, and March 31, 2013, the PMMF, BIF and BGF investments were fair valued using Level 2 inputs, based on the respective net asset value of each of the underlying funds. Fair value information has not been provided for other investments and securities as management believes it would not provide additional meaningful information. The fair values of other financial assets and liabilities, which are carried at amortized cost in the financial statements, are also based on Level 2 inputs as while price quotations are available, the instruments are not traded in an active market. For each of the years ended March 31, 2014, and 2013, there were no significant transfers between Level 1 and Level 2.

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